8

DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES
HOUSE OF COMMONS

THIRD SESSION—NINETEENTH PARLIAMENT

6 GEORGE VI, 1942

VOLUME III, 1942

COMPRISING THE PERIOD FROM THE SIXTH DAY OF MAY, 1942,
TO THE ELEVENTH DAY OF JUNE, 1942, INCLUSIVE

BEING

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OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

CANADA

House of Commons Debates

OFFICIAL REPORT

Wednesday, May 6, 1942

The house met at three o'clock.

PRIVILEGE—MR. COLDWELL

REFERENCE TO PRESS REPORT OF STATEMENT BY DOCTOR FRANZ KLEIN

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I rise to a question of privilege and to keep the record straight. Doctor Franz Klein gave a statement to the press last night in which he said this—I am reading from the Ottawa *Journal:*

He claimed that any note of dissension in his writings was in relationship only to a difference between his views and those of another Austrian expatriate now in Toronto.

"Mr. Coldwell may regard him as an Austrian leader, since he boasts having been Schuschnigg's press chief. He was one of the junior officials in Colonel Adams', the press chief's bureau. Adams' whole staff was imprisoned by the German invader. Most of them are still in concentration camps. Mr. Coldwell's witness is the only one who owing to his friendship with Schuschnigg's Foreign Secretary Guido Schmidt, was released after a few weeks and allowed to leave Austria."

I wish to say that I do not know the gentleman to whom Doctor Klein refers. I have had no communication with anyone connected with the Austrian or Czech organizations in this city or in the dominion. The information I gave the other afternoon was obtained when I was in England, from the Free Austrian Committee there.

REPORTS OF COMMITTEES

Second report of standing committee on railways and shipping.—Mr. Howden.

RADIO BROADCASTING—CONCURRENCE IN FIRST REPORT

Mr. J. J. McCANN (Renfrew South) presented the first report of the special committee on radio broadcasting, and moved that the report be concurred in.

Motion agreed to.

44561—138

RAILWAYS AND SHIPPING

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, on behalf of Mr. Ilsley I beg to move:

That estimate items Nos. 400, 401, 410 and 411, approved and reported upon by the standing committee on railways and shipping, owned, operated and controlled by the government, be referred to the committee of supply.

Hon. R. B. HANSON (Leader of the Opposition): The report of the committee has not yet been concurred in. I know this is a pro forma motion, but it seems to me to be a little premature.

Mr. MACKENZIE KING: It can stand.

Mr. SPEAKER: The motion refers to items that were taken out of the estimates and referred to the standing committee on railways and shipping, the standing committee has approved the items, and they are now reported back to the house. The usual procedure is then to refer these items to the committee of supply to be dealt with in the usual manner.

Motion agreed to.

RADIO BROADCASTING—CHANGE IN PERSONNEL

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

That the name of Mr. Hansell be substituted for that of Mr. Kuhl on the select committee on radio broadcasting.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WARTIME HOUSING LIMITED—CONSTRUCTION AND RENTALS

Mr. NICHOLSON:

1. How many houses were completed by Wartime Housing Limited by April 1, 1942?

2. What was the average cost, including services, per unit?

3. How many completed houses were occupied at April 1, 1942?

4. What were the different rates of rentals charged by Wartime Housing Limited?

5. How many houses have been rented in each of these categories?

Mr. MICHAUD (for Mr. Howe):

1. 3,918 completed, as of April 10, 1942.

2. $3,197 (estimated)—Includes services and cost of land.

3. 3,796 houses as of April 10, 1942.

4. Type H1 and H2. Amherst, Halifax and Prince Rupert, $25.00 per month; St. Catharines-Victoria Park and North Vancouver, $20.00 per month; all others, $22.00 per month. Type H11 and H12. Amherst, $32.50 per month; Hull, $30.20 per month; Halifax, Prince Rupert, $32.00 per month; St. Catharines-Victoria Park, $28.00 per month; North Vancouver, $27.00 per month; all others, $30.00 per month. Type H22. Halifax, Prince Rupert, $27.50 per month; St. Catharines-Victoria Park, $23.00 per month; North Vancouver, $22.00 per month; all others, $25.00 per month.

5. As of April 10, Type H1 and H2, 2,226 houses; Type H11 and H12, 1,117 houses; Type H21 and H22, 453 houses.

W. V. WRIGHT

Mr. WRIGHT:

1. Is W. V. Wright, former sheriff in the Shaunavon district, employed by the Department of Agriculture in any capacity?

2. If so, what remuneration was paid him during the past fiscal year for (a) salary, (b) expenses?

Mr. WRIGHT: I wish to have this question dropped.

Question dropped.

CANADIAN CHARGE D'AFFAIRES FOR FRANCE—VICHY CONSULATES IN QUEBEC

Mr. BRUCE:

1. Is M. Pierre Dupuy, the Canadian charge d'affaires for France, Belgium and The Netherlands, living in Vichy?

2. If not, where does he live and what are his opportunities for direct contact with Marshal Petain?

3. When did he last visit Vichy?

4. Has he had a conference with M. Pierre Laval since the latter's accession to power in France?

5. If not, what advantage will the Prime Minister derive from a conference with M. Dupuy?

6. Have complaints been made to the Vichy minister—M. Ristelhueber—that the Vichy consulate in Quebec was distributing anti-British pamphlets?

7. If so, what action did M. Ristelhueber take?

[Mr. Nicholson.]

8. How many Vichy consulates are there in the province of Quebec?

9. Are broadcasts being sent to this continent, in French, from nazi-controlled Paris?

10. Are broadcasts being sent to this continent, in French, from Vichy?

11. Has any action been taken in respect thereto?

Mr. MACKENZIE KING:

1. No.

2. Mr. Dupuy resides in London. He has had opportunities for direct contact with Marshal Petain on his visits to Vichy.

3. It is not considered in the public interest to give details concerning Mr. Dupuy's visits to Vichy.

4. No.

5. The advantage afforded by conference with one who possesses special knowledge and is widely informed on matters at issue.

6. It is not customary to disclose particulars of confidential conversations between foreign diplomatic representatives and the governments to which they are accredited.

7. Answered by 6.

8. Two, one in the city of Montreal and one in the city of Quebec. The latter consulate is now vacant and is being administered by the Consul General in Montreal.

9. Yes.

10. Yes.

11. Yes.

AIRCRAFT AND ALLIED INDUSTRIES—MORALE BUILDING CAMPAIGN

Mr. DIEFENBAKER:

1. Has E. G. Hirst of Toronto been appointed to organize and conduct a morale building campaign in aircraft and allied industries?

2. If so, when was he appointed?

3. By whom was he appointed?

4. In what business was he previously engaged?

5. Is he still conducting such business?

6. What salary, honorarium, allowance, or other remuneration, is paid to him by the government?

7. If no remuneration is paid to him by the government, by what means is he being compensated for his services?

Mr. HOWE:

1. Yes, in the aircraft industry.

2. December 20, 1941.

3. Director-General, Aircraft Production Branch, Department of Munitions and Supply.

4. Might Directories Limited.

5. He is still Vice-President of Might Directories Limited.

6. None.

7. He is receiving no compensation for his services.

WARTIME HOUSING LIMITED—GREATER MONTREAL

Mr. FAUTEUX:

1. How many dwellings have been erected by Wartime Housing Limited within the area of greater Montreal?

2. What classes of dwellings have been constructed and how many of each kind?

3. What has been the cost, by groups, of each class of dwelling?

4. How many of each kind are actually occupied?

5. What rental is charged for each class of dwelling?

6. Are any restrictions imposed on the different classes of tenants?

7. Do all tenants come within the scope of these regulations?

8. Has the company received from the city of Montreal, or from any of the municipalities constituting greater Montreal, any requests for the utilization of all other dwellings within the limits of the city?

9. What arrangements have been made, if any, with the city of Montreal and the different municipalities constituting greater Montreal, for the leasing of any of these dwellings?

Mr. HOWE:

1. None.

2, 3, 4, 5, 6 and 7. Answered by 1.

8. No.

9. None.

The above questions are answered on the assumption that "greater Montreal" refers to the island.

SALVAGE—WILLIAM KNIGHTLEY

Mr. NICHOLSON:

1. What has been paid to William Knightley, salvage division, national war services, as (a) salary, (b) expenses?

2. What salary and expenses will be paid to him as associate director?

3. What will be paid to C. Laferle, newly appointed director of salvage, as (a) salary, (b) expenses?

Mr. THORSON:

1. (a) $3,720 per annum.

(b) $947.11 from March, 1941, to date.

2. (a) $3,720 per annum.

(b) Actual out of pocket travelling expenses when on departmental business.

3. (a) $5,000 per annum.

(b) Actual out of pocket travelling expenses when on departmental business.

MILITARY SERVICE—APPLICATIONS FOR POSTPONEMENT OF TRAINING

Mr. FAIR:

1. How many men have been called up for training under the National Resources Mobilization Act in each of the provinces?

2. How many applications for postponement of training have been made in each province?

3. How many applications have been granted in each province?

Mr. THORSON:

Provinces	1 Number of men called up for military training under the National Resources Mobilization Act in each of the provinces, and accepted at National Defence (Army) basic training centres, since October 9, 1940, up to March 12, 1942	2 Number of applications for postponement of military training that have been made in each province, since October 9, 1940, up to March 12, 1942	3 Number of applications for postponement of military training that have been granted in each province, since October 9, 1940, up to March 12, 1942
P.E.I.	1,013	549	463
Nova Scotia	4,718	3,010	2,019
New Brunswick	4,567	2,315	1,802
Quebec	38,433	37,163	22,174
Ontario	37,252	19,800	15,953
Manitoba	8,331	3,231	2,442
Saskatchewan	9,424	2,874	1,803
Alberta	9,024	2,534	2,334
British Columbia	7,543	4,443	4,056
Totals	120,305	75,919	53,046

HOSPITALIZATION OF SERVICE MEN OVERSEAS

Mr. CHURCH:

1. What agency is in charge of the hospitalization of service men overseas in Britain?

2. What private organization or auxiliary services are in charge of amusements and sports for soldiers overseas in the various camps?

Mr. RALSTON:

1. The Royal Canadian Army Medical Corps is in charge of the hospitalization of all personnel of the army overseas in Britain.

There is a director of medical services on the staff of the senior officer commanding overseas. This director of medical services administers the hospitalization and Medical Corps in England.

2. Amusements and sports furnished to the soldiers in camps overseas are provided under the direction of the auxiliary services officers by the four national voluntary organizations, namely: the Canadian Legion War Services, Inc.; the Knights of Columbus; the Salvation Army; the National Council Y.M.C.A.

RECOGNITION OF FRENCH NATIONAL COMMITTEE

Mr. CHURCH:

Will the government now recognize officially the provisional government of General de Gaulle of France?

Mr. MACKENZIE KING: The Free French National Committee, to which this question refers, is not a provisional government, and the question of its recognition has not arisen.

EXPORTS OF METALS AND MINERALS TO AXIS POWERS

Mr. CHURCH:

1. What was the tonnage of copper, aluminum, nickel, scrap iron, pig iron and coal exported from Canada to Japan, Germany and Italy for the five years before the war?

2. What amount has been exported to Japan and Italy since the war began?

Mr. MacKINNON (Edmonton West):

1. Exports to Japan, Germany and Italy, calendar years 1935 to 1939.

Year	Item	Unit	Japan	Germany	Italy
1935	Copper	Cwt.	3,526	188,325	66,870
	Aluminum	Cwt.	126,483	79	4,411
	Nickel	Cwt.	17,456	384	31,532
	Scrap iron	Ton	39,186	....	....
	Pig iron	Ton	....	....	....
	Coal	Ton	982	....	2,800
1936	Copper	Cwt.	8,348	261,842	38,903
	Aluminum	Cwt.	88,872	3,374	....
	Nickel	Cwt.	28,821	10,136	24,654
	Scrap iron	Ton	68,011	1,935	....
	Pig iron	Ton	....	....	....
	Coal	Ton	1,038	....	1,504
1937	Copper	Cwt.	69,175	223,408	11,899
	Aluminum	Cwt.	178,405	7,870	9,921
	Nickel	Cwt.	101,342	23,151	17,921
	Scrap iron	Ton	46,948	....	....
	Pig iron	Ton	....	34	....
	Coal	Ton	....	....	....
1938	Copper	Cwt.	311,875	554,897	37,486
	Aluminum	Cwt.	312,250	123,937	....
	Nickel	Cwt.	153,992	20,233	....
	Scrap iron	Ton	41,033	....	....
	Pig iron	Ton	....	....	....
	Coal	Ton	....	....	....
1939	Copper	Cwt.	378,396	58,289	99,644
	Aluminum	Cwt.	421,173	57,964	....
	Nickel	Cwt.	233,107	....	....
	Scrap iron	Ton	46,866	821	....
	Pig iron	Ton	....	....	....
	Coal	Ton	....	....	....

2. Information by countries not available during war period.

SCARCITY OF BEEF

Mr. LACOMBE:

1. Is there a scarcity of beef in Montreal and other Canadian cities? If so, why?

2. Has the government undertaken, or does it propose to undertake a careful inquiry to fix responsibility for such scarcity?

3. What steps does the government propose to take to deal with this situation?

Mr. GARDINER:

1. Some shortage in beef supplies has occurred since April first in some of the larger consuming centres in eastern Canada due to higher prices for certain classes of cattle in the export market than those offered in the Canadian market.

2. No investigation is considered necessary.

3. Proposals have been under consideration but decision has been deferred pending further market developments.

EXPORTS OF BEEF

Mr. LACOMBE:

1. Has Canada exported any beef to the United States since January 1, 1942?

2. If so, what was the quantity for the months of January, February, March and April, 1942, respectively?

3. What quantities of Canadian beef were exported to the United States during the corresponding months in the years 1941, 1940 and 1939?

Mr. MacKINNON (Edmonton West):

1, 2 and 3.

Exports of fresh beef to the United States:

Month	1939 100 lb.	1940 100 lb.	1941 100 lb.	1942 100 lb.
January	1,100	361	304	15,898
February	1,082	226	121	12,204
March	1,803	247	98	13,050
April	352	169	55	951

EMPLOYMENT OF CANADIAN NATIONALS IN UNITED STATES DEFENCE INDUSTRIES

Mr. CARDIFF:

1. Has the attention of the Department of External Affairs been directed to a situation said to obtain in the United States where Canadian nationals in the United States are and have been refused employment by companies in the United States engaged in defence orders?

2. If so, what representations have been made by the department to the government of the United States?

3. What results, if any, have accrued as a result of such representations?

4. If the answer to No. 1 is in the affirmative, is the practice continuing, and if so, what further action does the department propose to take in the premises?

Mr. MACKENZIE KING:

1. Yes. Complaints have been received from various sources.

2. The Canadian Legation in Washington has discussed these complaints with the competent authorities of the government of the United States and the matter has also been discussed at a recent meeting of the Joint Economic Committees of Canada and the United States.

3. The government of the United States is endeavouring to eliminate discriminations against citizens of the united nations and the President, the Attorney-General, the Federal Security Administrator and other officials of the United States government have appealed to employers to stop these discriminations.

4. It is impossible to say how far these measures have been effective. The question is receiving continued attention and is being considered by the Joint Economic Committees as part of the wider question of the most effective use of manpower.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MILITARY SERVICE—AGES 18 TO 30—NUMBERS MOBILIZED, REJECTED OR EXEMPT

Mr. JEAN:

1. According to the latest statistics what is the number, in each province, of (a) young men of 18, 19 and 20 years of age; (b) young men of 21, 22, 23 and 24 years; (c) young men of 25, 26, 27, 28, 29 and 30 years?

2. What is the number in each province of those actually mobilized or in active service in each category?

3. What is the number, by provinces, of those who have been declared incapable of military service?

4. What is the number, by provinces of young men between 18 and 30 years of age who are exempt from military service under the law or by reason of their beliefs?

Mr. THORSON: Return tabled.

PARCELS TO PRISONERS OF WAR

Mr. CHURCH:

1. How many ships are now engaged in carrying parcels to Canadian prisoners of war in enemy and enemy controlled countries?

2. Who charters such ships and have any of them been sunk?

3. Has any official statement yet been published or received by the government from the Red Cross regarding the delivery of parcels to Canadians in all enemy countries?

4. How many parcels per month or week have been delivered to Canadian prisoners?

5. Is the government aware that friends in Canada of our war prisoners have become alarmed by statements in the British press and

criticisms in the House of Commons in Great Britain, regarding non-delivery of parcels to prisoners of war?

6. Is it not a government responsibility to look after our prisoners of war?

7. Does the government accept responsibility for the services provided by voluntary organizations in this respect?

MOTIONS FOR PAPERS

ORDER IN COUNCIL P.C. 1347

Mr. NICHOLSON:

For a copy of memorandum of the Secretary of State recommending P.C. 1347 of February 20, 1942, to the privy council.

Mr. NICHOLSON: I ask that this be dropped.

Motion dropped.

MONTREAL BRIDGE TOLLS

Mr. CARDIFF:

For a copy of all letters, telegrams or other communications, passing between any official of the government of the province of Quebec and any official of the government of Canada with reference to the abolition of tolls on the Victoria and harbour bridges in the city of Montreal.

CONSCRIPTIVE POWERS OF GOVERNOR IN COUNCIL UNDER WAR MEASURES ACT

Mr. CARDIFF:

For a copy of all opinions rendered by the Department of Justice with reference to the power of the governor in council under the War Measures Act to conscript men for service in any theatre of war.

Mr. ST. LAURENT: I ask that this be allowed to stand so that I can have the question considered whether or not this can be complied with without violating the privileges which still exist as to certain communications between the Department of Justice and other departments of the government.

Motion stands.

THE PLEBISCITE

INQUIRY AS TO GOVERNMENT ACTION FOLLOWING THE VOTE

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I desire to ask the Prime Minister when he will make a statement to the house with respect to what the government intends to do, having regard to the final and official vote on the plebiscite and the statement of the Prime Minister on Tuesday of last week that in due course the government will make known to the house what action it proposes to take in the light of the plebiscite vote, and the prior statement of the Prime Minister, in his plebiscite address of April 7, that the only place it can satisfactorily be decided whether a particular step is necessary or a particular measure needed is in parliament—that in parliament the government can state its case and provide the information on which a wise decision alone can be made.

Right Hon. W. L. MACKENZIE KING (Prime Minister): First of all, perhaps I should correct my hon. friend the leader of the opposition (Mr. Hanson) in his statement that the "final and official vote" has been given to the house or is available. However, I do not wish to make any point of that except to be strictly accurate. I would say to my hon. friend that I expect to make a statement to the house in the course of a few days with reference to the matter to which he has referred. In the meantime the government will continue, as it has in the past, to endeavour to anticipate and to meet every situation that arises, in the light of existing circumstances.

VICHY REPRESENTATION

STATUS OF DIPLOMATIC RELATIONS—RETURN TO CANADA OF MR. DUPUY

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I desire to ask the Prime Minister another question. On Tuesday, April 28, the Prime Minister told the house that he had asked Mr. Pierre Dupuy to return to Canada and indicated that "unless some occasion should arise to make it necessary to take action before he returns" he would not make a statement on our diplomatic relations with Vichy until he had had the opportunity of conferring with Mr. Dupuy. I should now like to ask the Prime Minister if the situation at Madagascar is such an occasion as he referred to in his statement, and if so, whether any further action has been taken by the government. Further, I should like to ask the Prime Minister when he anticipates that Mr. Dupuy will be available for conference on this question.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am unable to say whether Mr. Dupuy is in the city at present or not. I expect that he will he here this week if he is not already here. I have not had a chance this morning to ascertain. Until I have had an opportunity of an interview with Mr. Dupuy I prefer making no further statement on the matter.

THE SENATE

INQUIRY AS TO APPOINTMENTS TO FILL EXISTING VACANCIES

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, in view of the urgency of the situation and the desirability of strengthening in every possible way our parliamentary institutions by recruiting thereto men and women of outstanding ability, will the Prime Minister tell the house when he will be in a position to announce the appointment of men and women of ability to the Senate of Canada to fill the many vacancies at present existing?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I shall be glad to take note of my hon. friend's desire to be considered in that connection.

HIS MAJESTY THE KING

DESIRABILITY OF DISPLAYING THE ROYAL PORTRAIT IN RECRUITING STATIONS

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): May I ask the government if it is not possible to have a fine picture of His Majesty the King, the commander of the army, in each recruiting office?

Hon. J. L. RALSTON (Minister of National Defence): I will deal with that when my estimates are under consideration.

TORONTO HARBOUR COMMISSIONERS

EXPEDITING OF BILL ON ORDER PAPER IN NAME OF MINISTER OF TRANSPORT

On the orders of the day:

Mr. J. H. HARRIS (Danforth): In the absence of the Minister of Transport (Mr. Cardin) may I ask the government to be kind enough to expedite the introduction of the bill standing in the name of that minister having to do with the Toronto harbour commissioners. The urgency lies in the fact that the summer vacation of the city council may preclude the possibility of taking advantage of a $5,000,000 debenture issue which is coming due on September 1.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I can promise my hon. friend that the matter will be taken up to-morrow.

INTERNMENTS

ESCAPES OF GERMAN PRISONERS FROM CANADIAN CAMPS

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): I should like to address a question to the Minister of Justice (Mr. St. Laurent). Owing to the escape of two more German prisoners from the internment camp at Bowmanville, as reported over the radio this morning, will the minister tell the house whether these frequent escapes are being investigated by his department and whether provision is being made to stop such escapes?

Hon. J. L. RALSTON (Minister of National Defence): That comes under my department. The guards at internment camps are under the Department of National Defence, and I have constituted a board, composed of Colonel G. S. Stairs, M.C., V.D., of Montreal, Colonel K. R. Marshall, C.M.G., D.S.O., V.D., of Toronto, and Colonel C. M. Edwards, D.S.O., V.D., of Ottawa, who will make a special investigation with regard to the escape of these two prisoners, and any other matters that may be referred to them in connection with the administration of the camp. There have been four different commanding officers there and the escapes which have occurred have occurred under all of them, so that it seems to be a question as to where the responsibility lies. However, the matter is being thoroughly investigated by the officers whom I have named. As a matter of fact I ordered that the district officer commanding should himself proceed to Bowmanville this morning. I did so the moment the report came in and he is on the ground now. The court of inquiry will be constituted at once.

THE "NEW CANADIAN"

VANCOUVER NEWSPAPER PUBLISHED IN JAPANESE AND ENGLISH—PRE-PUBLICATION CENSORSHIP

On the orders of the day:

Hon. N. A. McLARTY (Secretary of State): On Monday the hon. member for New Westminster (Mr. Reid) asked a question with regard to a paper which is being published in Vancouver under the name of the *New Canadian*. It is published in Japanese and in English, and the hon. member inquired whether any steps are being taken to check up on it. I have now secured the necessary information and would advise that the *New Canadian* is still being published in English and in Japanese at 396 Powell street, Vancouver. It generally appears three times a week. Its Japanese section occupies approximately one-quarter of its space and consists entirely of translations of official announcements and notices affecting the Japanese-Canadian population. In regard to the second portion of the question, I would point out that in the early days of the war the *New Canadian* was handled exactly like all other Canadian publications; it was subject to post-publication censorship. However,

the press censors advise me that it is now subject to pre-publication censorship and all copy must be presented to the censor in Vancouver prior to the publication of the paper.

WAR APPROPRIATION BILL

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

The house resumed from Tuesday, May 5, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

Mr. HARRIS (Danforth): On several occasions we have been trying to find out what progress has been made with regard to certain recommendations which have been put on the record during the last ten or eleven months. The minister was kind enough to indicate that he would give the committee a fairly comprehensive statement, the idea being that this would avoid the necessity of cross-examination across the floor of the house. Altogether there are close to forty recommendations not enumerated or numbered as such but appearing in the context of evidence which the minister's department and other war departments have had before them. I should be glad to have a statement from the minister.

Mr. RALSTON: I will endeavour as briefly as I can to summarize the action taken, or the comments of the department with regard to some of the more important recommendations. I am sure my hon. friend does not expect me to go into the whole matter, because I presume all the recommendations will come before the war expenditures committee when it meets.

One recommendation has to do with the appointment of a financial superintendent under the jurisdiction of the deputy minister. That recommendation, in the case of the Department of National Defence (Army) had already been carried out. As a matter of fact, there had been a financial superintendent for some years.

With respect to a war establishments committee, that also was recommended, and that recommendation, if it was intended to apply to the Department of National Defence, (Army), is met by the fact that we have had and have a war establishments committee which is functioning, I think, satisfactorily. The director of staff duties is chairman; the director of military operations and intelligence and the director of mobilization and recruiting are members.

The committee recommended that someone from the deputy minister's branch should become a member of the war establishments committee, and the financial superintendent himself became a member of it, although he had been functioning from June 30, 1941. Later, on March 7 of this year, the director of military training was appointed a member. Hon. members will understand that frequently these establishments are related to training centres or to some unit, the training of which needs particular attention and in respect of which, therefore, the knowledge of the director of military training is needed as to establishment requirements.

A recommendation was made suggesting that a staff of highly trained civil servants, with expert background, should assist the financial superintendent in carrying out his duties. Under that, there were to be appointed 21 grade 4 civil clerks, who had had a university course in economics and commerce. That was authorized at a meeting of the committee some time before, for the purpose of assisting the financial superintendent. Of these, ten were appointed in the army service and six were assigned to work on estimates and finance under the financial superintendent.

A recommendation was made with regard to the long and complicated procedure concerning war establishments, suggesting that that be simplified without weakening the financial and constitutional controls of the civil power. I could dilate at some length on that particular recommendation, but perhaps it will suffice to say that we have adopted a plan whereby there will be simpler procedure in certain increases in establishments. I think it is that increases up to 5 per cent, not more than 5 per cent of personnel, are made on the authorization of the minister, and do not go to the privy council at all. The same applies to increases in establishments in England; up to 5 per cent are made on the authority of the army commander without reference to the authorities here. Up to 10 per cent may be made in connection with establishments, if that is done for the purpose of bringing them up to correspond with British establishments. Further than that, a sweeping and thorough examination has been made of departmental procedure in order to shorten the time, if we possibly can, for a file to pass from one branch to another with respect to establishments.

I will not go into details here. I myself have discussed the matter thoroughly with the director of staff duties and with the financial superintendent, and I can assure the committee that a substantial saving of time will be effected in that respect as well. I must say it is pretty difficult to do it and at the same time to preserve the reservation made in the recommendation, that is that we must not

weaken the financial or constitutional control. Obviously, if you stop the recommendation on its way to the minister's office or the deputy minister's office, you leave the recommendation largely in the hands of more junior officials. But I do feel, and have so expressed myself, that for the purpose of getting on with the war we must do that; we must place responsibility on the senior officials in these branches and in the financial superintendent's office to approve the establishments; and if privy council authority is necessary, I have proposed—and I think it will be adopted—that we should get confirmation of those establishments simply by a schedule attached to one order in council, say once a month. That may not be approved by the hon. member for Danforth or by the committee, but there is no way of shortening the establishment procedure unless you cut out some of the officials, and it is very difficult to cut out the service officials, because every one of them in the branches has something to do with the establishment. That is, where a particular individual or a particular number of personnel is necessary, or whether so many trucks or so much motor transport may be necessary or where other equipment is necessary, all has to be passed on by the branches concerned. You cannot shorten that. The only way to shorten it is to have the approval further down the line.

Mr. HARRIS (Danforth): Or split it up.

Mr. RALSTON: Yes, in the case of minor or small establishments, and that is being done. A suggestion was made that each defence deputy minister should be assisted by a civilian director of personnel; that is in force in the Department of National Defence, Lieutenant-Colonel Harris being in charge.

A suggestion was made that consideration be given to the after-war use and disposal of all property, real and personal, acquired by the crown for war purposes. In so far as the Department of National Defence is concerned, at the moment naturally we are acquiring property for war purposes. The real estate adviser does, I know, in selecting property, endeavour if he can to have an eye to post-war conditions, but he has first to comply with the requisitions and requirements of the service people. If he can do that and at the same time pay attention to the comparative post-war value of alternative sites, he does so.

With regard to the matter of salvage generally the Department of National Defence, particularly in the master-general of the ordnance branch, has had authorized by order in council a salvage board. That board has to do particularly with army equipment, not general salvage but army equipment, and the officer in charge is Colonel Bailey who had an extended and detailed experience in the last war in connection with the same sort of thing. That board operates under the master-general of the ordnance. Certain sales require approval of the minister or the deputy minister as the case may be, and we have found it operates successfully with regard to the disposal of this army equipment, compared with the ordinary salvage which is disposed of under a salvage officer.

Mr. HARRIS (Danforth): Does that board include officials of the Department of National Defence for Air?

Mr. RALSTON: I do not think so.

Mr. HARRIS (Danforth): We still have five sets of people doing the same class of work.

Mr. RALSTON: Well, my hon. friend will not expect me to make any apology for the service which has to do with army equipment.

Mr. HARRIS (Danforth): Have the other war departments a representative on this board?

Mr. RALSTON: I do not know whether they have in regard to that type of salvage. As a matter of fact, I would not expect that the air branch would have a great deal of salvage, except destroyed planes, new equipment which has been damaged.

Mr. HARRIS (Danforth): They have clothing, worn-out guns, the same class of material. There should be some coordination.

Mr. RALSTON: They started out with things such as horse transport, of which there was a large quantity in the department. It may be that we shall need some of that before we get through this war.

There was a recommendation with regard to the division of freight between the two railways. That matter has already been the subject of considerable discussion in another committee and I made my statement there. It really has to do with the three services and also munitions and supply.

The system of stock control in operation in naval stores was suggested as being possibly useful in the army and the air branch. I can say that our officers have examined it, and we find it is difficult to apply to the army in view of the continuous turnover of the supply stock.

That is with regard, I think, to subcommittee No. 3. Then there was subcommittee No. 2 which dealt more with medical matters. In reference to the dental services the subcommittee mentioned the efficiency with

which the organization had been set up and, of course, having received that commendation, no one is going to deny it. With regard to medical and hospital services, the importance of cooperation and coordination was stressed, and the principle was laid down that the necessity for care of men above category E should be under the Department of National Defence, that is, until they are placed in a lower category. The Department of National Defence accepts that responsibility, but it has at the same time used, as suggested by the committee, existing hospital accommodation of the Department of Pensions and National Health or civil hospitals. The return of March, 1942, showed the distribution of military patients as being 72·59 per cent in national defence hospitals, 12·04 per cent in pensions and national health hospitals, and 15·37 per cent in civil hospitals.

Then the committee really reiterated that recommendation, that the principle be recognized that the medical services of national defence should be responsible for medical and hospital care of all men in the forces until they are placed in category E.

There was a recommendation that the subject of medical care and hospitalization of men above category E be referred to the interdepartmental committee for further study and report. The report is that the interdepartmental committee has met on several occasions where the different services, including pensions and national health, have hospital facilities and when increased accommodation has been necessary, to study these situations. Just to dilate a little on that matter of the interdepartmental committee on medical services, the report I have is that subsequently to the presentation of the report the interdepartmental committee has been meeting more frequently than in the past. They have held twelve meetings from November 30 to April 22. Although the committee was first appointed for a specific task, it is now in fact becoming to all intents and purposes a permanent committee, and all questions of an interdepartmental nature are referred to the committee at the instance of any director or senior officer of any one of the services. If there are any questions in which civilian interests are involved, representative civilian authorities are called in and consulted. Generally speaking, however, the matter brought before the committee is of a technical and administrative nature involving the three services only.

The committee has had under its constant consideration a review of the system of medical and hospital care in the services. Inspecting officers are continually travelling over the country in order to see that the men of the forces are receiving proper medical care in the services hospitals and that the hospitals themselves are efficiently administered.

The redistribution of existing hospital facilities between the Department of Pensions and National Health and the departments of national defence has not yet been fully worked out, but certain steps in that direction have already been taken. For instance, the army has taken over 200 beds from the Department of Pensions and National Health in Toronto, to operate as a convalescent hospital, and the naval service has taken over from that department the Rockhead hospital at Halifax. Before any hospital project is undertaken by the services, consideration is always given by the committee to existing hospital facilities. The situation is carefully studied, and none of the services proceeds with any such project unless it is found necessary to do so.

I want to add that special attention is given to this matter of hospitalization and medical services generally. A month or two ago the adjutant-general adopted the policy of having liaison officers in his own department representing the various branches of the service. One of those officers, in the person of Lieutenant-Colonel Lebbetter of Yarmouth, Nova Scotia, was appointed special assistant in connection with the matter of medical services. Lieutenant-Colonel Lebbetter works in close cooperation with the director-general of medical services, but if anything comes up in the adjutant-general's office with respect to medical services Colonel Lebbetter, or it may be the artillery officer, or the signals officer, or the infantry officer, is there to act immediately as liaison officer between the adjutant-general and the director-general of medical services, or the chief of the particular branch concerned.

Mr. HARRIS (Danforth): Would the minister feel disposed to direct that minutes of the meetings of this interdepartmental committee be kept as a matter of record? Up to the present that has not been done; there are no minutes of what has occurred.

Mr. RALSTON: I am surprised to hear my hon. friend make that statement, and certainly I see no reason at all why minutes should not be kept.

Mr. HANSON (York-Sunbury): Before the minister leaves this question of hospitalization, I should like to ask him what is the ratio of hospital beds required, we will say in Canada, to the number of men on active service. I was surprised to learn recently that it is considered necessary to have beds

for five per cent of the total number of men. I should have thought that was a very large proportion. When in a given community the number of troops is increased, of course the question of hospitalization arises. I am interested, for personal reasons, in the situation in Fredericton. It now develops that the number of troops in that community has more than doubled. The military hospital accommodation was up to a maximum of eighty beds, which under the original arrangement was considered quite ample; that would take care of some 1,500 troops. There are now about 3,400 troops there, and the present accommodation is not considered sufficient. I would be inclined to agree with that. Then comes the question of new hospital facilities. Apparently the present facilities cannot be increased, and a new building will have to be erected.

That brings me to this point. Would the department of medical services give consideration to increasing the existing facilities of the civil hospital at that point? We have what is to all intents and purposes a brand new hospital, built at a substantial expense, offering accommodation, I think, to the extent of 140 beds, which, of course, is only sufficient for the civilian population. If the department and the hospital authorities could get together and provide increased accommodation of a permanent nature at the Victoria public hospital, it would serve a useful purpose post-war. Instead of that I understand it is considered necessary to construct a brand new hospital for military use only, and abandon the present facilities which have been built and equipped at great expense. I only suggest to the minister that he pass along this observation to the medical authorities, that the present civil hospital facilities at Fredericton be increased to serve both purposes. That is a brand new hospital, classified A-1 in the United States category, one of the best hospitals in the maritime provinces for its size. The accommodation there could be doubled with very little expense, because the central services are all there; all the equipment is there for X-ray work, surgery, and all that sort of thing. What is needed is additional beds; I think that is about all. There are elevator services, dietitian services and everything else for a hospital twice the size of the present one. If this suggestion could be adopted it would remove the necessity of spending a large amount of money on a new military hospital, which would be useless in the post-war period, and a very useful purpose would be served for the whole community of central New Brunswick, where there is a population of, we will say, a hundred thousand people who are more or less dependent upon this one institution for hospitalization.

I commend this suggestion to the minister; I hope his officers will give consideration to it, instead of spending a large sum of money on a new hospital and new equipment which would be scrapped after the war. I think this question of building separate hospitals ought to be considered in the long view. I am not complaining, but I think this is a point which ought to be put forward.

Mr. RALSTON: The general principle which my hon. friend lays down has been pretty well considered, and the hon. member for Danforth will remember that in its recommendations the committee itself felt that it could not lay down any general principle but that each case would have to be considered on its merits, having regard to local conditions. One of those conditions, naturally, is the question of capital expenditure. You build an addition to a permanent hospital, and I think the cost per bed is, in most instances, double what it would be if you built what I might call a hut hospital. There is, of course, the advantage which my hon. friend mentions, if the equipment is sufficient and you do not have to duplicate equipment which is sometimes very expensive. The director-general of medical services tells me that it is the policy of his department to cooperate as far as possible with civilian institutions. I know that in Gaspé they have taken over one floor of the Gaspé hospital. The military doctors are in there, with the orderlies and all the military personnel, just as though it were a separate hospital, but they have the use of the operating room and the other equipment, which I understand is very good.

There is also the other policy of building an addition to an existing hospital. It is very seldom that we build on to a hospital, but where they do not do that they sometimes build near a hospital if they can, making it a sort of annex or wing which may be used by the hospital after the war is over.

Mr. HANSON (York-Sunbury): The situation at Fredericton is such that an addition could be built. The building was designed by a good hospital architect with the idea that it might be added to, and I am told that all the central services now exist for a hospital of 400 beds, though, of course, that may be something of an exaggeration.

Mr. RALSTON: The district officer commanding, Brigadier Anglin, spoke to me about the Fredericton situation when I was there two weeks ago. Of course he was pressing for more hospital accommodation.

If I may add a further word, the hon. member for Danforth asked as to the minutes of

the interdepartmental committee, and I was surprised to hear him indicate that such minutes had not been kept. My information is that minutes are kept of the meetings of the interdepartmental committee.

Mr. HARRIS (Danforth): I am glad to hear that. Are these regular meetings?

Mr. RALSTON: No; they are not held at regular intervals. Some of the dates were: November 30, December 18, January 2, January 22, February 25, March 9, March 14, April 3, April 27. I think they meet whenever there is business to be done, and they meet to deal with special cases as they come up, rather than with routine matters. However, it might be well to consider having them meet more regularly.

Mr. HARRIS (Danforth): It is gratifying to learn that the committee has had thirteen meetings since those recommendations were made.

To get back to hospital matters for a moment, the condition which obtains in the maritimes, and which was so well put forward by the leader of the opposition, also obtains in other parts of Canada. I should not like the impression to go abroad that the cost of construction of civilian institutions is double the cost of construction in the case of hospitals under the Department of National Defence. As you, Mr. Chairman, very well know, the difference arises because of the fact that the cost of heat, light, power, land, depreciation charges and all the other elements which go into the cost of a self-contained civilian hospital, even down to the personnel, do not go into the cost of a national defence institution. Personnel is paid for out of the general vote, whereas with the civilian institution personnel has to be paid for by that civilian institution. I should not like the impression to go abroad that the cost is double; I think the minister will agree with that.

Mr. RALSTON: I had just two figures in mind. I shall not mention them for fear they are not accurate. The figure was at so much per bed, and it was about double. But that was capital expenditure, not maintenance.

Last night the hon. member for Renfrew South (Mr. McCann) spoke about Wassermann tests, and I shall not deal with that matter again.

Then there was a recommendation with regard to the building up in Canada of a blood bank. The subcommittee recommended that the suggestion be given careful consideration; the comment is that dried human serum is now being recommended in lieu of whole blood, in the form of a blood bank, for the treatment of war casualties, and the production of suitable quantities of this product is now well in hand and is being supplied to all military districts in Canada and overseas. In addition, a certain number of personnel have been typed and are available for transfusions, if found necessary.

The subcommittee also made a report and recommendations in the matter of medical stores and supplies. The action taken in that regard is this. A survey of the medical stores branch is now being conducted, and steps have also been taken by the Royal Canadian Army Medical Corps to provide added staff where necessary, and to investigate further possible improvements. I believe there is decided activity in that direction, and I believe the hon. member took a particular interest in it.

Mr. HARRIS (Danforth): There is great room for it, too.

Mr. RALSTON: Then there was a recommendation with regard to meat supplies. The subcommittee recommended that consideration be given to a proposal submitted by the packers for the saving of fat from beef carcasses by having such fat trimmed from the carcass at the packing plant and the purchase of pork in trimmed cuts, leaving with the packer such parts as spareribs, tail, fat, skin, hocks, bones, scrap and belly.

The action taken was that after careful study of this proposal it was decided that to provide the greatest possible variety of meat dishes it would be more advantageous to continue the purchase of beef and fresh pork in sides and carcases. So that there is no waste, steps are taken to ensure the use of all the residue parts of the beef and hog carcases; mincing machines with sausage attachments are provided, together with authority for the purchase of sausage casings, seasonings, et cetera. I remember in that connection meeting with a cook on the Pacific coast who wanted a sausage machine. I promised to get him one, and it has gone to him. The machine is very useful, in fact, from the point of view of dietetics, and also from that of saving.

Recipes have been circulated to all units, giving complete instructions for the making of beef and pork sausage, headcheese, pickled pork and corned beef. The issue of three ounces of lard per man per day has been discontinued, so that cooks are now compelled to obtain this supply from the dripping and rendering of fats of meats to which reference has been made. All other residue of meats from kitchens, such as bones, rough fat, and

kitchen grease is disposed of by sale under arrangements approved by the chief salvage officer.

The next recommendation was that some system should be devised whereby the quality of meat furnished could be passed on by government inspectors prior to the carcase being cut up.

The action taken was this. The question of the inspection of beef at packing houses by Department of Agriculture inspectors to ascertain whether it conformed with the specifications of contract prior to its distribution to the supply depots was under consideration at the time the subcommittee considered this matter of meat inspection. In the spring and early summer of 1941 a system was adopted whereby all beef, destined for the army supply depots inspected at point of origin and found in accordance with departmental specifications was stamped with a Department of National Defence prick stamp which designated that, at the time of inspection, the beef was in accordance with government specifications. This inspection, however, does not in any way relieve the officers of any of their responsibility; they make their own inspection when the beef arrives at their supply depots and, if judged by them to be below contract specifications, their duty is immediately to reject such beef, regardless of the fact that it may carry the stamp of the agriculture inspector referred to above.

Mr. TUSTIN: How many times has beef been rejected?

Mr. RALSTON: I am sorry I cannot say. Does the hon. member mean in a month?

Mr. TUSTIN: Yes, and in Canada.

Mr. RALSTON: The subcommittee recommended that consideration be given to possible changes in the ration to meet the needs of flying personnel in the air force.

I can say that there is a standing committee on nutrition, which was mentioned the other night. That committee is headed by Doctor Hunter of Toronto and has been meeting. I know that lately a new diet scale has been issued and approved. The first meeting was held in Ottawa on January 26, and I know several meetings have been held since. As a matter of fact, the recommendations of the committee have been approved.

Then there was a recommendation from the subcommittee that each branch of the service appoint one officer or board of officers to be responsible for salvage, and that all personnel of the armed forces be made salvage-conscious, particularly quartermasters and supply officers. Periodic inspections were recommended to be made of all stores, and such as are no longer serviceable in any branch of the services are to be turned over to the civilian board for disposal.

The action taken has been that an army salvage and disposal board has been created, with district representatives. All salvageable material including packing boxes, jute sacks, crates, cartons, bags of various kinds, waste-paper, et cetera are collected and disposed of on instructions of this board. Records of sales, such as recoverable invoices, et cetera, are maintained by the district supply and transport officer, or the camp supply and transport officer, as the case may be, who submits to the army salvage and disposal board such reports as are required from time to time by that board.

The subcommittee recommended that arrangements be completed for the transfer of waste oils from the air force to the army for reclaiming.

I may say that that was the subject of a return made to the house the other day. The hon. member asked whether any steps had been taken toward the reclamation of oil used in the army. The answer for the army was that oil reclaimers have been installed at Debert, Sussex, Ottawa, Camp Borden and London, Ontario. So far the operational output has been able to handle only waste oils from army supplies. It has not handled transmission greases and heavier lubricants. The organization of these reclaiming plants is now being carried out to increase their capacity to handle larger quantities of waste oil and, therefore, to be in a position to reclaim air force oils for army requirements up to the quantities the army can use, wherever freight, transport and other charges make it economical to do so.

I may say that I know personally that steps have been taken in connection with that matter. The master-general of the ordnance has had it under consideration. I am not so sure that those reclaiming stations or mechanical installations will be increased. We have under consideration another plan upon which I shall not now enlarge. It is a commercial plan which, it seems to me, will perhaps be more useful, in that it does not call for the expert personnel which are required in these reclaiming installations. That is to say, in the present instance the army has to turn aside from its regular job of training men for the army, and train them in the collection and careful preservation and segregation of the various oils used. I was amazed by the reclamation apparatus installed in these stations. From conversation with those who ought to know I have found that labora-

tory tests are required, when the oil comes in from the garage, or from wherever it may be obtained, to ascertain whether or not it contains Prestone, or anything of that kind, or transmission grease; and it also requires laboratory tests when it goes out to ascertain that it contains no foreign matter which would interfere with its lubricating value. By another system it may be possible that we could have this oil actually cracked so that, regardless of the fact that it may have waste substance in it, it will be clear and good for lubricating uses. This matter is under study by the master-general of the ordnance, along with representatives of the research council; and I expect the extension of that service will be in accordance with whatever recommendation is made. I believe the study will be completed shortly.

The subcommittee recommended that consideration be given to possible savings by more extensive use of the government owned and controlled railway system for transportation, freight, express and telegraph service. That also is a matter up for consideration by a standing committee of the house.

There was the further recommendation that periodic and regular inspection of all stores should be made by the responsible officer of each service to determine if any stores are obsolete or no longer of use. Should this be the case, prompt action should be taken to salvage or dispose of these stores.

The action taken was that left-over materials from construction works are utilized on maintenance services. Data has been compiled on stocks that have accumulated for various reasons, and they have and are being diverted to other construction projects or districts. Condemned materials are submitted to the salvage board for disposal.

Those are the principal recommendations of which I have note.

Mr. HARRIS (Danforth): I desire to record my appreciation of the information which the minister has just given. I have one observation to make. Could there not be more coordination between the different departments of defence—army, navy and air? It is unfortunate that in some respects there are similar organizations in all three departments. The barriers should be broken down that make it difficult for the man in khaki to become intimate with the man in blue. The statement has been made that that difficulty does exist, and it is an unfortunate situation. We are all anxious to have a unified war effort, and I would like to see as much coordination as possible between all three branches of the defence department.

My last observation is this: Let us get on with this war. I could make extended remarks on every item and easily consume three hours in doing so, but this is not the time. Let us get on with the war as fast as we possibly can.

Mr. KINLEY: I desire to bring before the minister and the committee one or two things which I think are important. I was home during the Easter recess and during the plebiscite campaign and I discussed with many alert people in my riding questions of interest in my riding. I found that the farmers of my riding got the impression from radio addresses and from what appeared in the press that they were exempt from military training and therefore from military service, and that this exemption applied also to those engaged in the primary industries who had a background of farming. But I find that it is not so simple as that. The mechanics of it are a little involved. I am glad to say, however, that a press release went out from the Department of National War Services not long ago which I think should be widely distributed and appear in the press to a greater extent. It can readily be understood, after what has been said and broadcast about military service, that when a farmer's son gets a notice to report for medical examination he immediately runs to someone in authority and says, "I thought I was exempt". The actual conditions are very well explained in the press release issued by the Department of National War Services, which states that the farmer's son will be called up for medical examination but that he has eight days within which to put in a claim for exemption as a farmer's son or as a farmer, and that if on the 23rd day of March he was actively and efficiently engaged in agriculture that is all the reason he needs to advance to be granted an exemption. The board has no discretion in that case but must grant him a six months' exemption.

Mr. RALSTON: If he has a prima facie case.

Mr. KINLEY: Yes. But the farmers will not understand that so readily, and the actual conditions should be made plain to them. In my riding we had a splendid "yes" vote on the plebiscite. I think the town of Lunenburg voted "yes" eight to one, but in some outlying fishing districts all along the shore of Nova Scotia there was a considerable "no" vote. Naturally we asked ourselves why they voted no. The people in these districts are fishermen and sailors. A sailor ashore is rather out of his element. These people do not take

readily to the army, but they prefer to go into the navy. When they had to vote on the question whether they should go into the army, naturally there was an inclination on their part to vote no. Some consideration should be given to men who have been trained practically a lifetime as sailors and fishermen, so that they may be allowed to select the navy in which to serve rather than the army. There is all the more reason for that in the fact that they are admirably equipped for service at sea. They are sailors ready-made and are considered perhaps as good as any in the world.

I wish to say a few words also on nationals in exile, because I have had some personal experience with this question. When Germany overran the small countries of Europe, some of which had a splendid mercantile marine and many of whose people had spent their lives on the sea, many of them going fishing in the south seas, I am informed that many of the ships of these countries were directed by the British government to Nova Scotia. They obviously could not return to their own country in Europe, and they came to Nova Scotia ports—a very natural thing for them to do. But when they came here the crews became wards of Canada—not in the financial sense, because fortunately their governments were well supplied with revenue from their maritime activities and could look after these people. We all know that governments in exile have been doing splendid work in training their men for the armed services. I have had personal experience with that, and I know they are doing a splendid job. Their officers and men have received superior training. These governments in exile asked for volunteers from their nationals who are now wards of Canada. Many of these men who came here were good machinists or good engineers. When they were brought to Nova Scotia there was no work for them at the time, but those amongst them who were technically trained men were soon working in the war industries of Nova Scotia, at Lunenburg, Liverpool, Halifax and Pictou, and they are doing a good job. They are good men, well trained in mechanics. For some time the voluntary system prevailed, but recently a call was sent out to these men who were working in the war industries of Nova Scotia to come and register and be medically examined.

I have personal knowledge that one of the governments in exile called up men up to thirty-seven years of age. Some of them were married in their own countries; others married after they came to Canada. As I understand the Canadian law, we call up single men or widowers without children up to thirty years of age, and I think I am correct in assuming, from the statements that have been made in the house and from letters I have received in communication with the authorities, that these wards of Canada are subject to Canadian law and must be treated the same as Canadian citizens, and that therefore thirty years should be the age limit in calling up these men, so long as the Canadian law provides that age limit. Some hon. gentlemen may say: Why don't these men tell their authorities that they prefer to remain in industry, being over the Canadian age call and working on naval repairs.

One can well understand that a man who is a national of one of our allies and has a wife and, perhaps, children in a foreign country might get a black mark from his own nationals if he assumed the privilege of invoking Canadian law in his behalf. The minister said the other day that the matter was still under advisement and an agreement would be made with these nationals. I am aware of that; I have considerable correspondence upon the subject which I will make available to the minister. I believe the agreement should be so drawn that the man who is a foreign national will not have to assert himself, that the Canadian authorities will state what the law is and that we expect these men to be bound by it as so stated, so that the man who is a national of that foreign country need not fear that when the war is over he will be prejudiced because he invoked the law of this country in respect to privileges which are available to our own citizens.

I have only praise for the nationals of our allies in eastern Canada. I want to compliment them; they are doing a splendid job and doing it actively. But I repeat that this is a situation which should be cleared up, that these men who are working in wartime industry throughout Nova Scotia as engineers and machinists and who are over thirty years of age should be definitely told what their obligations and duties are. In this way everything would be aboveboard, and they would feel that they were doing their duty as expected of them.

There is one other matter about which I wish to speak. I was absent in Nova Scotia when the observation was made by the hon. member for Vancouver South (Mr. Green), although I think he later withdrew it, that Nova Scotia members did not have the gumption to speak up for the defence of that province. I want to say here, and I say it advisedly, as a member of this house, that I regard the rights and the benefits of the people I represent as my first duty here, and I would not hesitate to assert them if I believed that they were impaired. The hon.

member for Vancouver South, as a critic on behalf of the opposition, is doing a fairly good job, but he has a different role from that of hon. members who are supporters of the government, and I believe that he could do it effectively without casting any aspersion on our efforts. I am constantly bringing to the attention of the proper authorities the importance of the defence of Nova Scotia. I realize that for this purpose and for other phases of our war effort we must have stability of government, and thank God, we have it better than in any other country I know of; also we must have coordination of effort and planning. If everyone who comes to this house were to put forward and emphasize his ideas as those which should be adopted for defence and for the conduct of this war, we should merely have confusion. So far as the defences of Nova Scotia are concerned, I, living on the coast, am naturally interested. I believe there must be a very comprehensive effort. While some places are defended, there is always a back door, and the back door is the door which has been left open in most cases during this war. So far as Nova Scotia is concerned, the strong places are only as strong as the weakest places, and our defences must be considered from the viewpoint of that part of this country which juts out into the Atlantic, but we must plan with a degree of secrecy. It would be terrible if we had an invasion of our Atlantic coast and you in Ottawa had to send bombers to bomb us who were for a time in the control of a foreign power. We think that, notwithstanding the world-wide effort which we should do everything to support, the defence of the eastern coast of this country is a first duty of our army and our navy.

Few know Nova Scotia better than the minister. During the Easter recess he went to the Pacific coast and flew to the Atlantic coast. I am sure that he has this situation in hand in a way which will bring confidence to the people of our province. So far as the navy is concerned, I have had conferences with my fishermen, and with the admiral in Nova Scotia, himself a Nova Scotian and a fine sailor, and I know that many things are being done, and others being changed, in the interests of coordination and efficiency. The defence effort is growing and will get better as time goes on. The air force, too, is doing a splendid job. If you get up quite early in the morning you will hear them in the air, and if you stay up late at night you will hear them still flying overhead. So that, while the hon. member for Vancouver South, representing the opposition, will naturally look for vulnerable parts of our defence, we who are working in conjunction with the minister and come to him with our problems and tell him what we need and what we expect, cannot stand for anybody saying that we have not the gumption to bring before the government matters which we believe are in the interest of the province.

Mr. HANSON (York-Sunbury): Why do you not come out in the open and say it?

Mr. CHURCH: I always enjoy reading in *Hansard* the remarks of the hon. member for Queens-Lunenburg who has just spoken.

Three ministers have stated here this session that the question of farmers' exemptions is for another department, that boards have been set up, and that it is somewhat a matter of policy and of construction of the law passed. With all due respect may I remind the committee that the enemy is near our doors, and it is necessary to get men into the reserve army and into the army overseas. Yet count up all the exemptions and postponements which now exist under the law.

Mr. FLEMING: There are no exemptions.

Mr. CHURCH: When you allow for the farms, the munition plants, and the reserve army, you have very few of the population left, because there are exemptions yet, for the active army formations and for reinforcements overseas.

Before the resolution is adopted, there are one or two matters I should like to mention. If the minister is not able to clarify them to-day he may be able to do so to-morrow or in a day or two.

First, we have had a great many statements made by the chairmen of the defence board, both in Canada and in the United States, and speeches at banquets and over the radio. I will not dwell on this matter for more than a couple of minutes, for I think the minister has been very patient and has given a great deal of information, which the country will appreciate. But let me ask what is the joint policy on the north American continent in the case of Canada in the event of a surprise invasion? Here we have a joint defence board. The chairmen of both sections have, for over a year, been making a great many speeches—far too many speeches for the good of defence. Their work has been largely board and not much defence in sight yet. The two cardinal principles of this country's military policy and of this resolution are home defence and to protect Canada's neutrality in case our ally next-door is attacked by a foreign power, namely Japan. Could the minister clarify

the statements which have been made, because so far as I can learn, since the start of the session we have yet to have a considered statement as to what will happen in the event of a surprise attack which may or may not come to this country, but is still a possibility. After throwing away our defences and our friends, we cannot expect to get any in a day anywhere in Canada, since we chose to be an unmilitary power.

We have yet to have a considered statement on our side of the border as to what, in the event of a surprise attack, which may or may not come, our allies to the south will do for Canada. Announcements have already been made with regard to advance bases on the Pacific and the Atlantic for joint protection, with regard to the Alaska highway, and with regard to other matters which have been covered separately; but as far as I can see, apart from the minister's statement, we have not been given anything definite by the government as to our real position. I do not ask the minister to go into the matter to-day, but he has two colleagues in the other branches of the service, the navy and the air force, and I submit that some statement should be given to the committee later as to our strategy since we are, like the United States, a non-military power as yet in the making. I should like the minister to make a short radio address or statement later on this subject, telling the people what will be done along this line.

There is one other matter, a most important one, which I wish to bring to the attention of the committee and of the department at this time. I refer to shipment of parcels to prisoners of war in Italy, Germany and the far east. As we all know, in the last war the Red Cross did wonderful work, but their activities at the present time are naturally restricted, in the very nature of things, and in view of the changes in the war made every week. We are on the defensive yet. Yesterday, in Toronto, a representative of the Y.M.C.A.—he states that he is international secretary—contended that parcels were being given out by that organization and delayed. Has the government knowledge of it? At least, that is what I gather from his remarks as I read them in the press. What is the status in enemy countries? It seems to me that the first duty or function of the government is to its prisoners of war, itself, to see that this is done, no matter where they may be and not to leave it to any private organization entirely, although they have done so well. The situation is changing every day, with Laval in control. I have twenty-six questions which I have gleaned from the British newspapers in less than the last six months and from the British *Hansard* as well,, and I may say that in the last three months about thirteen or fourteen questions have been raised by government supporters in the British House of Commons all to the effect that parcels are not arriving and demanding government action, regulation and check up. Ships have been sunk at Lisbon and the way to Marseilles may be blocked. Taking these facts into account, and with the entry of Laval into affairs over there the mechanization and destruction in the air and at sea, and many other matters that tend to dislocation, numerous British members of parliament say that parcels are not reaching our soldiers who are prisoners. A list of camps has been given in the British house to the government there, and the camps are identified.

The whole situation as to Canadian prisoners in enemy and enemy-controlled countries, should be clarified, because a great many families are sending parcels, and it is of the utmost importance that they should reach our men, especially when we know that there is lack of medical attention, food, health regulations and other proper care in the theatres of war overseas and abuse of prisoners by a savage, barbarous foe. It is most difficult for any private organization to meet this situation with any status or right. Everyone in Canada appreciates the work that these private organizations are doing and have done. No criticism is ever intended. We all know what splendid work they did in the last war and in our camps in peace and war, but they cannot go as far in this war because conditions now are different from those in the last war. As I say, the situation is changing every day in Europe, Libya, the far east and elsewhere. The other day in the British House of Commons, the food administrator made an announcement, which I read in the London newspapers and *Hansard* in March. His remarks were reported in the British *Hansard*. He was proposing a policy with regard to parcels, and he stated that he was considering the restriction of parcels to the old country, first, for civilians, and second, in some instances, for the purpose of regulating supplies to soldiers on the continent and Britain. The reason given is the shortage of shipping and the extremely grave situation on the Atlantic having regard to the possibilities of a spring offensive of the axis powers and other matters of that sort. I do not ask the minister to go into this question to-day, because I want to see the resolution adopted if that is possible, but I hope he will be in a position in a few days to make a radio address or statement—I will give

him the pages of fifteen *Hansards*—so that the people may know exactly what to expect and get the real facts. Our first duty is to our prisoners of war and action must be taken. We have had little information that would help to clear the situation up or get the real picture. I should like him to make a statement also telling us what is going to be done if we should have a surprise invasion of Canada, what help is expected, if any, and what help may we expect from our good friends to the south.

Mr. ESLING: Would the minister give his views on a specific case to which reference has previously been made, and some details of which have been handed to him? It is merely for the purpose of determining responsibility in the matter. A young man enlisted in October, 1939, left the base of enlistment at Nelson, British Columbia, and went with his company to Edmonton. He went to hospital, and was discharged from hospital and discharged from the army. From that time on he was five additional months having treatment. The fact is that the man was a diabetic, but he contends that his condition was aggravated by the change of temperature, from the mildness of Kootenay to the extremely cold temperature of Edmonton. His physician certifies to the fact that his parents have paid to one hospital in excess of $400 for his treatment. He is denied treatment at the military hospital in Vancouver. He is denied employment for the reason that he was not physically fit for the army. The government denies responsibility for his case. My contention is that the man having been examined by a departmental physician paid by the government, the responsibility should be placed on someone. Perhaps somebody was responsible for not having made a diabetic test—or was it up to that man to tell the medical adviser that he was a diabetic? He certainly offered his services to the government in good faith because, in order to enlist, he sold his business. He had money in his pocket and in the bank. My question, presented directly to the minister, is this: Does the responsibility rest with the government? Does the responsibility rest with the Department of National Defence, or with the Department of Pensions, or does it rest with the man for not having stated his condition? Will the minister give his views so that we may know what course to pursue. Everyone denies responsibility.

Mr. RALSTON: I dislike more than I can say to attempt to give views with respect to something in another department and with respect to a matter over which only the pension commissioners have jurisdiction. But I should like to give any views that would be of assistance to my hon. friend, although I am afraid I am not going to be very helpful. With regard to the examination, that is army, and I shall certainly find out about that. Did my hon. friend say that he had referred the case to me?

Mr. ESLING: No; I said I had sent a few details to the minister.

Mr. RALSTON: The hon. member did refer the case to me?

Mr. ESLING: Just some details. The minister sent for the details himself.

Mr. RALSTON: What I am interested in is what my hon. friend said at first with regard to the army. The nature of the medical examination that was made is what I am interested in, as to whether a diabetic condition should have been detected on examination.

Mr. ESLING: That seems to be the point. Who is responsible?

Mr. RALSTON: I will look up the file. It seems to me that when a man is being examined, one of the most elementary questions would be whether he had ever been the victim of a diabetic condition. I want to see how that question was answered.

Mr. ESLING: That is the very point. Was not somebody lax? Was not the departmental physician lax in not making a proper examination? Even though the man had not told him he was a diabetic, a proper examination would have revealed that he was; the man would not have been accepted and his condition would not have been subsequently aggravated.

Mr. RALSTON: This is a little harsh, but one must realize that in the case, for instance, of a life insurance examination if a man stated that he was not suffering from a diabetic condition, when he was, and knew it, the insurance would not be collectible. The same rule must apply in connection with pensions—I shall ascertain that. But one would think it was the man's fault. It is pretty harsh to put that fault on him after he has been accepted, but the pension board must have some rule like that. As my hon. friend knows, there is treatment. As I understand it, under the pension commission or the Department of Pensions and National Health, even though they award no pension, if a man's reestablishment in civil life would be helped by further treatment, the treatment may be given. Do I understand that the man's condition is so bad that rehabilitation is not practicable?

Mr. ESLING: The unfortunate part is that the man was denied treatment at Shaughnessy. What is such a man to do? He has offered his services to his country; the military hospital denies him treatment, and he cannot get employment.

Mr. RALSTON: The military hospital would discharge him to pensions and national health. When he was discharged and boarded category E he would be taken over by pensions and national health. Some question was asked when this vote was first up as to what was done to promote liaison between the army and pensions and national health. I have ascertained that a slip goes immediately to pensions and national health. The man is given a note; if necessary he is taken there or guided there, so that he immediately reports to a pensions and national health hospital for examination and treatment until his condition is acertained. If he was not pensionable but still his disability was such that treatment would help him to be reestablished in civil life, they would give him further treatment. My hon. friend says he was not given treatment?

Mr. ESLING: He is denied it.

Mr. RALSTON: So I can only assume that rehabilitation is not feasible. I will, however, look into the file myself. I shall have to get it from pensions and national health.

Mr. ESLING: I can give it to the minister.

Mr. MacINNIS: I should like to crave the indulgence of the committee for a few minutes to go into another phase of a question which has been discussed at considerable length during the time the minister's department has been under review. The question I wish to raise concerns a mother who has two sons in the Royal Canadian Air Force, one in England and the other still in Canada. She says that after investigation she was given a dependent's allowance of $20; that is $10 for each son. She has an invalid daughter. She said that she had done practical nursing to help meet the family's economic needs. In this way she earned about $50 a month. Her case was then investigated and the allowance on behalf of her sons was discontinued. I received this letter only this morning. I am not sure whether this woman is a widow, but I presume she is because no mention is made of a husband. I should like to read how this mother feels about the position in which she finds herself. She says:

> For the life of me I cannot see what this has to do with the government's $20. A wife gets $35 for herself and she is allowed to work. Why not a mother? It costs as much for one to live as the other. What I would like to see is a move made whereby all mothers would be given the same as a wife. These mothers must be dependent on their sons or they would not be receiving their allowance. The government forgets it would have no army if the mothers had not produced the sons.

I realize that there must be some fairly definite regulations covering the matter of dependents' allowance, but it seems to me that the regulations should be such as to cover cases like this. Here evidently is a woman who would be better off if her sons were not in the service of the country; they could give more toward her support. I should like the minister to have this case investigated. I am writing to the dependents' allowance board about it, but I thought I should bring it to the attention of the committee in order to give the minister an opportunity to make some statement as to the attitude of the government or the department on dependents' allowances for mothers who are deprived of their sons.

Mr. RALSTON: The same point was raised by the hon. member for Comox-Alberni the other day; and, as I told him, I had dealt with it when pensions were up some time ago. Briefly the situation is that payment to the wife is what I have described in this house as of right. I find I am wrong in that. Legally it is not as of right, but I have indicated that I believe the payment to the wife should be paid regardless of what income she may have. That principle has been carried out in connection with dependents' allowances and also in connection with pensions. The payment to a wife is, to use the expression I used before, treated as inviolable.

The payment to the mother is in a different category. The mother is not in the same position as the wife as far as dependency is concerned, and the intention of the provision for dependents' allowances, as well as the provision in the Pension Act, is to endeavour to make up to the mother the loss in dollars—not, of course, the loss in companionship or the social loss—which she has suffered by reason of her son having joined the army. If she is receiving other income, that is taken into consideration.

All I can say is that that is the rule and the principle upon which mothers' allowances are paid. It was the principle in the last war; it has been the principle in the Pension Act from 1914 to date, and it is the principle followed by the dependents' allowance board regulations which are in force at the present time. Only a short time ago that $20 minimum was raised; at least the dependents' allowance board were given another $5 margin, so that the maximum is now $25. Whether my hon. friend agrees with the principle or not,

I think it is sound; otherwise you would have dependents of various degrees of consanguinity all receiving pensions on a maximum or fixed basis. I only want to say to my hon. friend that these are paid R.C.A.F. and not army pensions, but at the same time they come under the dependents' allowance board, on which there are two members of the air force, in order to see to it that air force men are looked after.

Mr. DIEFENBAKER: There is one question that as yet has not been answered, and I revert to it at this time in order to get the assurance of the minister that the information will be furnished; that is, the age classes of the 29,000 men who enlisted between January 1 and April 1. When this matter was brought up over ten days ago the answer given was that the information was not then available. When I brought it up again on April 28 the same answer was given. It seems to me that while practically every other phase of the army has been dealt with, one matter of primary importance to-day to the people of Canada as to whether or not sufficient men are being secured under the voluntary system has been neglected. As I said before, it is only by having that information that we can secure a proper perspective of the position of affairs to-day. It is not going to be difficult to get that information, and I repeat that only by having that information can any of us be in a position to determine whether or not sufficient recruits are being secured. Under the regulations now in existence young men seventeen years of age and up, unless they secure the permit provided for in the case of those attending educational institutions, are forced to enlist, by reason of the regulations which do not permit them to be employed if they are over that age provided they are in the restricted occupations.

Mr. RALSTON: Unless they go into other occupations.

Mr. DIEFENBAKER: Unless they go into other than restricted occupations. How many of those 29,000 men were seventeen, eighteen or nineteen years of age? How many were from twenty to twenty-four years of age? The answer given by the minister the other night was but a half answer; he said only some 5,000 had enlisted from the camps after having received their call. But what about the men who enlisted just prior to receiving the call, in order to escape being called up under the draft? There seems to be cooperation between the Department of National War Services and the various militia units; for in some parts of Canada to-day men nineteen years of age are receiving notice from units advising them that in a short time they are going to be drafted and pointing out the advantages of voluntary enlistment. I have here a notice sent to a young man in Prescott from a regiment in Cornwall, which reads in part as follows:

> Information has been received at this office to the effect that you will be called for military service in the very near future. It is thought that probably you would prefer to volunteer for service with Canada's active army before you receive this call.

Then it goes on to point out the advantages of doing this. When that man joins up he does so partly because he does not wish to be drafted, the advantage of which is pointed out to him in the letter. So that before we can say whether or not the voluntary system is in fact a success we should know the number of men seventeen, eighteen and nineteen years of age who are joining up. We should know also those twenty, twenty-one, twenty-two, twenty-three and twenty-four, within the age limit subject to call, who joined before they received any notice, or before they were sent to training units. There would be no difficulty in getting that information, surely.

Mr. RALSTON: Is that not what my hon. friend wants to know?

Mr. DIEFENBAKER: I want the complete information on this situation.

Mr. RALSTON: Let us see just what it is my hon. friend wants. Does he not want to know how many of the 29,000 he mentioned—I think it is nearly 38,000 now—had received a call for service before they enlisted?

Mr. DIEFENBAKER: No. That was the answer the minister endeavoured to give me. That is a part answer, but I want the information as to the number in each age group from seventeen to twenty-four inclusive.

Mr. RALSTON: So what, after that?

Mr. DIEFENBAKER: I am entitled to information regardless of what result may flow therefrom. I do not have to state the conclusion to be based thereon. I want the facts. None of us can arrive at a conclusion until we have those facts.

Mr. RALSTON: I thought perhaps I might get what my hon. friend wants in order to prove or disprove whatever he has in mind, without going into all the age groups up to twenty-four, because as I understand it the proclamation now goes up to the age of thirty, and if we stopped at twenty-four my hon. friend would not have all the information he

wanted. I thought what he really wanted to know was how many of these men had joined from training centres or after being called.

Mr. DIEFENBAKER: The questions I asked the other day do not permit of the interpretation which the minister has placed upon them. They were direct.

Mr. RALSTON: What were direct?

Mr. DIEFENBAKER: The questions I asked, as to the information I wanted; and I intend to insist that this information be given, without being required to let the minister know the conclusions that may be reached from a study of same.

Mr. RALSTON: All right; be as mysterious as you like.

Mr. DIEFENBAKER: Yes, and I will go further and say to the minister that the other night, because I dared make the suggestion that men were ill-treated in training centres, the minister took it upon himself to read me a lecture on the harm I was doing to enlistment by referring to certain cases of coercion. At that time the minister made the statement that there was only one case in Canada that had been investigated.

Mr. RALSTON: I beg pardon; I said only one case was brought to my attention.

Mr. DIEFENBAKER: I shall read what the minister did say, at page 1966 of *Hansard* for April 28:

> I have stated to the committee on previous occasions that when reports have come to me from time to time or statements been made such as my hon. friend made to-night, I have investigated them and have found no grounds for any statement that there was undue or improper pressure except on one occasion. . . .

Mr. RALSTON: That is right.

Mr. DIEFENBAKER: So that the minister investigated a number of these complaints but found only one occasion in which they were justified. I should like him to tell the committee the occasion to which he refers and the information he obtained on that occasion, because within the last several days I have received further complaints along the same line. I am not going to give the names of the informants, because they say they have been warned that if they tell the story they are going to be denied leave. The complaints I received cannot be false, where men say that they have been placed in a position which scarcely fits in with what the minister calls a kind of evangelistic meeting. These men say they have been intimidated. The minister says there was only one case where complaints were justified, and I think we should have information as to that case.

In order to decide or to arrive at a conclusion as to whether or not we are getting enough men, I submit that as a member of the house I have the right and the country has the right to have this information, so that public opinion will know the position, as far as recruitment to-day is concerned.

I now go on to one other phase. I should like to have information as to how many men who received four months training and were then permitted to go home have since been recalled?

Mr. RALSTON: Is the hon. member referring to four months training?

Mr. DIEFENBAKER: Yes. How many of those men, after receiving four months training, and returning home, have since been recalled?

Mr. RALSTON: What does the hon. member mean by "returned home?" Has the hon. member a special case in mind?

Mr. HANSON (York-Sunbury): In the early stages, after four months training the men were allocated to reserve units, and went home.

Mr. RALSTON: I had in mind that the order to report for duty was made within the first four months period, and that they did not return home after the four months period.

Mr. DIEFENBAKER: I know of at least one instance where a man completed his four months training and is now at his home. Those around him who are being called up are asking why this is so.

Mr. RALSTON: I shall be glad to inquire into the matter, because I thought the order applied to all those who were in four months training.

Mr. DIEFENBAKER: I ask whether or not all of those men who received four months training are put in the forces, either active or reserve?

Mr. RALSTON: They would all be active.

Mr. DIEFENBAKER: Then, what cooperation is there between the defence departments and the Department of National War Services? I ask that, because in the past few days a large number of calls have gone out by mail and, to my information, letters have been forwarded to men calling them into service who in several cases have been overseas for a period of over one year. In one instance the man has already returned from overseas service. So far as Saskatchewan is concerned, after these letters are sent out and are returned uncalled for, the mounted police investigate. I suggest that if there were

greater cooperation between these departments, this type of thing would not happen. Here we have a lack of that cooperation which is to be expected. If there is loose organization, then what is to prevent a man called up for service from failing to report for that service?

I should like the minister to give information as to how many men who have been called up for service under the provisions of the National Resources Mobilization Act have failed to answer the call?

Mr. RALSTON: Was there not a return on that point?

Mr. DIEFENBAKER: Yes. How many have failed to report; and of those who have failed how many have had prosecutions lodged against them?

Mr. RALSTON: Did my hon. friend see the return which was filed?

Mr. DIEFENBAKER: Yes, but it did not show the prosecutions.

Mr. RALSTON: I have not seen the return; I intended to look at it.

Mr. DIEFENBAKER: The information I wish is first, in regard to the age classes of the men who have volunteered and joined the army since January 1; second, information in regard to those called up for the four months period and, finally, what is being done to assure of greater cooperation between the Department of National War Services and the several defence departments.

Mr. RALSTON: And, fourth, how many prosecutions?

Mr. DIEFENBAKER: Yes.

Mr. RALSTON: First, with regard to the age groups of the men enlisted, the committee will see the situation. I have just asked the adjutant-general whether these attestation papers upon reaching headquarters are filed from month to month. If they are, I imagine one could have some clerk go through those papers, and look into the ages appearing on them. If they are filed alphabetically, with other papers, we would have to go over a great number of papers. I will find out, however, and see how long it would take to look into the attestation papers. I intended to point out that they are not kept in age groups; I have inquired on that point.

With regard to the number of men allowed to go home after four months training, may I say that, as I said before, I did not know there had been any cases. The call-up was made while the first four months period was on. However, I shall find out about that.

[Mr. Diefenbaker.]

With regard to cooperation between the defence departments and the Department of National War Services, that is a matter of procedure. I have not the faintest idea how the registrars of the Department of National War Services are notified when a man who would otherwise be called up enlists in his district. However, I shall look into that matter.

Mr. DIEFENBAKER: Are they notified?

Mr. RALSTON: The adjutant-general thinks they are.

Then, the matter of prosecutions is really one for the Department of National War Services, except to the extent to which it applies to men called up under the thirty-day provision. They may be dealt with under the Department of National Defence. I do not wish to put that responsibility on my colleague. The committee will understand that I cannot give information on that point to-day. However, I shall see that it is prepared. I should like really to confer with my hon. friend with respect to his first point. We will get the information concerning the others. I should like, however, to remind him and the committee how long it would take.

Mr. DIEFENBAKER: One other matter which has not yet been dealt with is the opportunity given to young men who have taken Canadian officers training corps instructions in the universities, and in particular young men of eighteen, nineteen, twenty and twenty-one years of age who are attempting to qualify for commissions. What is the system at present in effect in the universities? What advantage is there for those who take the course throughout their scholastic years, and what opportunity is given them to secure commissions?

Mr. RALSTON: I have not the regulations before me, and I am speaking only from memory. But without looking up the regulations I believe the rule is that the young man who is training in the officers training corps at a university trains for three years. He may then be recommended to Brockville as a cadet. The training in the officers training corps entitles him to one month off the four months course at Brockville, in order to qualify for his commission. May I ask the hon. member for Lake Centre whether there was any privacy or secrecy about that notice to the young man indicating that he would be drafted?

Mr. DIEFENBAKER: No; the letter in question is dated Cornwall, March 27, 1942, and it is from the second battalion of the Stormont, Dundas and Glengarry Highlanders. It says:

> When you decide to go "active" or if you have already decided to do so, please advise, and transportation will be arranged to bring you in and have your medical examination completed.
>
> Please give this matter your earnest consideration. Your early reply will be appreciated.

That letter is signed by the area recruiting officer.

Now that the matter has been mentioned, I would ask the minister if a list of those who are about to reach an age when they are subject to be drafted is given to officers of battalions throughout Canada?

Mr. RALSTON: I am quite satisfied that this is not the practice, but I shall be glad to look into it. They do not need to have a list to guess at the ages of the young men in their own district.

Mr. FAIR: The animals in the buffalo park at Wainwright were slaughtered or otherwise disposed of and the park turned over to the Department of National Defence with a view, I understand, to a training camp being established there. Would the minister indicate what progress is being made in that direction?

Mr. RALSTON: I am afraid I cannot tell my hon. friend at the present moment. We are not sure which of two projects will be carried on there, but I will try to tell my hon. friend as soon as possible. In view of the expansion which was being made, the property was obtained for camp purposes. We got it with a definite object in mind, but I think we shall change the location of the particular establishment that was going to be there and that we shall use Wainwright for something else.

Mr. GRAYDON: Following up a question which was asked on the orders of the day about prisoners of war, I should like to say a few words. The minister made it clear that the duty of guarding prisoners of war came within the purview of his department. I had hoped that it would not be necessary to bring to the attention of the committee the situation with respect to escaped prisoners of war, but recent happenings at Bowmanville have again brought the matter forcibly to the attention of the public. I realize that the minister has had a very difficult and rather tortuous road to follow in this matter of escaped prisoners. I appreciate his difficulties; nevertheless the storm of public indignation over the escapes some months ago ran so high that one prominent metropolitan newspaper suggested that the government set up a separate "ministry of escaped prisoners of war" because the business had reached such great magnitude. Would the minister tell us the number of prisoners of war who have escaped in Canada since the war began? I should also like to have some assurance from him that the board of inquiry which he announced this afternoon will go more fully into the question of escaped prisoners of war than to inquire only into the escape of the prisoners of war at Bowmanville. I feel that the public should have the assurance from the minister that his department is dealing with this matter in a realistic and effective way, because nothing so disturbs the public mind, as I am sure the minister himself appreciates, as the escaping of enemy prisoners. I do not want to criticize unduly the minister or the department, because I realize the difficulties under which they are working, but at the same time I feel that the public should receive an assurance from the minister that every possible means will be taken to prevent these escapes from recurring in the future.

Mr. RALSTON: I want to say to my hon. friend and the committee that I am not complacent about the matter at all, but I do want the committee and the public to understand that having regard to the class of prisoners which we have in this country, and who were sent here because they were of that certain class, and the difficulties we have had in finding suitable accommodation and getting it fitted up under difficult temporary conditions, the number of prisoners who have escaped in Canada has been, I really think—and I say this advisedly—remarkably small. I want here and now to pay tribute to the veterans guard of Canada who have had most to do in guarding these prisoners. They have proved themselves extremely reliable and vigilant, and they have had to deal with a class of people who have had nothing to do but sit and plan and scheme to escape, for which there is no serious punishment.

Having said that, I want to say to the hon. member and the committee that the moment this escape was reported this morning, since it looked as though there might be something wrong at Bowmanville camp or with the administration there, I had the matter looked into myself and the adjutant-general gave me a report on it. As I have indicated, it apparently does not seem to be the commandant who has been at fault because there have been four commandants at this camp since September 1, 1941, and there have been escapes within the period of administration of each of those four commandants except the second officer. Immediately this escape was

reported, the adjutant-general got in touch with the district officer commanding and had him go to Bowmanville to look into the situation. The camp commandant was up until 4.30 this morning. Instructions were immediately given. The district officer commanding was going to have a district court inquiry, but instructions went from the adjutant-general's office that it was to be a headquarters court of inquiry, composed of officers not associated with the department at all. That was the reason why we asked Colonel Stairs, Colonel Edwards and Colonel Marshall, all experienced officers in the last war, to undertake this inquiry for us. If there is any suggestion that the hon. member or any other member of this committee has to make with regard to escaped prisoners which he would like to have referred to that court of inquiry, and which can within a reasonable time be encompassed, I shall be very glad to have it referred to them. The leader of the opposition and some other hon. members know Colonel Stairs and how thorough he would be in a matter of that kind. Colonel Edwards and Colonel Marshall are respectively known to members from Ottawa and Toronto.

I am sure we are right on this, that everything will be done to see that the greatest possible preventive measures are taken, and if there is anything wrong or any fault to find, or if there has been any neglect, it will be brought to light in this inquiry and be promptly dealt with.

Mr. GRAYDON: Would the minister mind stating the number of escaped prisoners of war?

Mr. RALSTON: There have been eighty altogether in the whole period in which we have had prisoners of war.

Mr. HANSON (York-Sunbury): That is at all camps? How many at Bowmanville?

Mr. RALSTON: It is eighty altogether.

Mr. HANSON (York-Sunbury): Out of how many?

Mr. RALSTON: That figure has never been given.

Mr. GRAYDON: Did I understand the minister to say that all escaped prisoners had been recaptured except these last two?

Mr. RALSTON: Yes, except the one who escaped to England and was reported killed overseas.

Mr. GREEN: What is the system of administering the prisoner of war camps? Do they come entirely under the veterans guard of Canada, or are the various camps under the control of their military districts?

[Mr. Ralston.]

Mr. RALSTON: They are part of the establishment of the particular military district. The veterans guard of Canada, while it is operating in a particular district, comes under that district. I believe my hon. friend has in mind Colonel Alley, who is in command of the veterans guard; but the moment one of his detachments goes to a district, it comes under the district officer commanding.

Mr. GREEN: Might it not improve the situation if more power were given to the veterans guard? Would not that enable them to adopt the same system in each military district, whereas now there are eleven different district commanders who may have eleven different types of ideas about the subject.

Mr. RALSTON: I believe that the officer administering the veterans guard of Canada, Colonel H. R. Alley, has worked out, together with the director of internment operations, who is under the Secretary of State, a uniform system of guarding, and I am sure that the veterans guard commanding officer is given the fullest scope to see to it that there is a uniform system across Canada in connection with guards. It is, of course, no use putting detachments in districts and then controlling them from headquarters. We feel that the only thing to do is to decentralize and put them under the control of the district officers commanding.

Mr. GREEN: Might it not improve the situation if the veterans guard were given wider powers?

Mr. RALSTON: Does the hon. member mean, the officer commanding?

Mr. GREEN: Well, the headquarters.

Mr. RALSTON: The hon. member means, the officer administering? I do not think so. I believe that it has been very fully thought out. For example, the ordnance corps has a head at Ottawa, but when a detachment is in a district it is under the commander of that district. The same with the Royal Canadian Army Medical Corps or any other corps; they come under the geographical district in which for the time being they happen to be. I understand my hon. friend's point, but I believe the matter has been pretty well gone into. We had a complete revamping of the question of internment camps and the respective jurisdiction of the Secretary of State for External Affairs, the Secretary of State, and the Minister of National Defence, and I think the matter was put on a satisfactory basis by the order in council, which placed on the Department of National Defence the responsibility for guarding—which up to that time had been somewhat divided.

Mr. GRAYDON: When the minister mentions Colonel Alley he is mentioning a most efficient and capable officer of our armed forces. The statements which have been made about the veterans guard will surely meet with the approval of everyone in the committee. I am inclined to think, from conversations I have had with men who seem to know something about this matter, that some consideration might be given to the provision of a larger body of personnel from the veterans guard to look after these prisoners of war. The veterans guard can contribute, I believe, more effective service in this type of operation than almost any other personnel one could possibly appoint. What I have heard of the record of the veterans guard in this connection leaves no room for criticism. But I fancy the department could properly give consideration to increasing the numbers of the men who are guarding these dangerous prisoners.

Mr. RALSTON: Some readjustments in connection with establishments, due to some changes in locations, are being made now. I will keep in mind the point mentioned by my hon. friend.

Mr. CASTLEDEN: Have there been any requests from the commanders for increased establishments?

Mr. RALSTON: If there have not been, I would be surprised.

Mr. CASTLEDEN: Have there been requests for increased establishments?

Mr. RALSTON: I have not any record here. I have just asked the adjutant-general, but he does not recall now. If there is one game which is being played with the Department of National Defence all the time, it is the game of asking for increased establishments, and it is played by everybody.

Mr. FLEMING: How many prisoners of war have escaped?

Mr. RALSTON: From this camp?

Mr. FLEMING: From all of them.

Mr. RALSTON: Eighty.

Mr. CASTLEDEN: What is the total establishments of guards for all camps?

Mr. RALSTON: Seven or eight thousand.

Mr. BROOKS: Of the number of prisoners who have escaped, how many have been recaptured?

Mr. RALSTON: All were recaptured except one who died overseas of wounds, and three who were killed.

Mr. HANSON (York-Sunbury): Well, those fellows were captured.

Mr. RALSTON: The guards number in the vicinity of seven thousand officers and men.

Mr. CASTLEDEN: Would the minister care to state the number of prisoners in internment camps?

Mr. EDWARDS: Would the minister tell us who pays for the internment operations of the Canadian government? Is that a direct charge on the Canadian people?

Mr. RALSTON: It is a subject of agreement between the British and ourselves. I do not know that there is any objection to revealing that, but I would rather leave it to the Prime Minister as Secretary of State for External Affairs. It is a matter between the Department of External Affairs and the British government.

Mr. HANSON (York-Sunbury): On this question I should like to say that I think the record has been good. These prisoners are able and dangerous men. Their whole time is taken up with the idea of escape. If eighty out of several thousand have escaped and all have been brought back excepting three who were killed, two who are out now and one man who got away, I would think that the Canadian people ought to be satisfied. At least I am. I do not see any great ground for criticism.

Mr. DIEFENBAKER: There is one other matter on which no information has been given to the committee, in connection with man-power, and that is the notices which are being sent out from time to time by the Netherlands government and by the government of Norway whereby their respective nationals are called to the colours. I ask this question to ascertain whether any arrangements have been made between the Canadian government and the government of either of these countries whereby, upon failure of their respective nationals to report for duty, they are subject to penalties. We know the wonderful work which is being done by these two governments in Canada in mobilizing their respective nationals. The question is so often asked whether or not any penalty follows upon failure to comply with the order.

Mr. RALSTON: That question was asked last evening, and I then said the discussion with regard to it is now going on between the Department of External Affairs and a representative of the two governments. As my hon. friend knows, generally speaking as a matter of international law and comity you do not enforce that sort of law. It is like the

sumptuary laws of other countries, which are not generally enforced. They have not been enforced in Canada. At the present time the whole matter is up in connection with the general question of the right of Canada to call up nationals of these countries, apart from the United States, and I am afraid I cannot give my hon. friend any more information than that at the moment.

Mr. HAZEN: Some time ago some criticism was expressed here about the cost of constructing military camps. I believe it was in October or November, 1940, that the minister told us, in the course of a speech, that he had obtained—I am not quoting his exact words—a very competent engineer, and that this engineer, with certain officers from the quartermaster-general's branch, was going to visit practically all the camps for the purpose of making a comparison between the cost of the camps which were put up by contract and the cost of the camps which were put up by the engineering service of the army. Did the minister ever receive a report as a result of that inquiry, and would he be prepared to tell us what the comparison shows as between the cost of camps put up by the army and the cost of camps put up by contract?

Mr. RALSTON: I have not looked into the matter for months, or even for a year or more, but my recollection is that there was a difference of from eight to ten per cent in the cost of camps under contract, on the one hand, and the cost of those put up by day labour, on the other. According to the engineer's report the explanation is clear. Day labour jobs were done frequently at that time because of the necessity for speed, and you can go ahead with a day labour job without having your plans all complete. If you want to have the work done by contract and have a tender, you must have all your plans, but under day labour you can proceed and make changes as they become necessary and keep on with the work, thus getting it done sooner. Off the bat, without reference to the report, I should say the difference was between eight and ten per cent.

Mr. HANSON (York-Sunbury): I am glad to hear the minister say that. He will remember that he and I had some discussion, perhaps not as pleasant as it might have been, over the cost of army hutments and the like. That, however, is all past, and as far as I am concerned it is water over the dam. But I notice that in all labour construction that has taken place the department has called for bids, and I congratulate the minister on the change of policy.

[Mr. Ralston.]

Mr. RALSTON: We do that if we have more time.

Mr. BROOKS: Does the minister find more satisfactory the work done under contract or the work done through the engineering department of the Department of National Defence? I have had a little experience in that regard, and from what I have seen I should think the work done by the engineering department was more satisfactory than that done by contract.

Mr. RALSTON: I know what happened. My hon. friend is in command of a training centre and he can get the engineer to do a day job—

Mr. BROOKS: Which is necessary.

Mr. RALSTON: —around the training centre which he will not get done by the contractor. I have had some experience as a company commander and I know the engineer will do work which the contractor will not do.

Mr. HANSON (York-Sunbury): The question of extras comes in.

Mr. RALSTON: They do not count as extras when the army engineer does the work. There is no doubt that from the point of view of service the army engineer and his crew of day labourers or engineers will do a job which the camp commandant or the district officer commanding would prefer to a job done the other way; but when I answered the hon. member for St. John-Albert I was only speaking of the actual money difference between the two jobs. I know there is a general feeling that you can get the army engineers to do the odd job and make certain improvements which are necessary or desirable, and which conduce to the health, convenience or efficiency of the camp, which you cannot get the contractor to do.

The hon. member for Témiscouata (Mr. Pouliot) asked about having a picture of the king and queen in the various messes. He spoke of his majesty as commander in chief. That is an error. His majesty is not commander in chief of the Canadian forces; the commander in chief of the Canadian forces is his excellency. I presume, however, my hon. friend is talking about pictures of their majesties. I will take his suggestion into consideration.

Mr. POULIOT: I thank the minister for what he has said, and I am sure it will be welcomed by all those who desire to volunteer. I understand now that His Excellency the Governor General is commander in chief of the Canadian army, and as the Canadian army is only a part of the British army, His Majesty

the King is commander in chief of the Canadian army. Yesterday the leader of the opposition tried to be *fin-fin* regarding a matter to which I had referred, to the effect that someone had gone to the army train and asked a question in French and was told by someone on the train not to speak a foreign language, or that he could not understand a foreign language. Then the minister asked for something more than a clipping from a newspaper. Of course, I have another clipping to send him. I have also two names. Yesterday he asked me to give him a name, and I will be more generous than he wanted me to be. I will send him two names to-day, and there are other names besides those. I hope the matter will be investigated and that we shall be told what the decision of the department is in that regard.

Some hon. MEMBERS: Carried.

Mr. POULIOT: I am greatly surprised to hear some hon. members say "carried" when we have had no precise information at all since we started to discuss this very large estimate. I have asked the minister for some precise information about the cost of each branch of his department, and the nature and functions of each of these branches. It is like the old tale, "Sister Anne, do you see anyone coming?" He has not come yet. The minister has the wonderful ability to avoid answering questions that are asked him unless he is pressed. I do not want to press him; that is not my idea at all. But I am greatly surprised that he has not answered this question on account of the lack of information in the general estimates. Of course, this is a matter of two billion dollars. I asked him for details, and he told me that it was already given in seven figures. That is not enough. We want to know exactly how it works. The motive I have now is to see that each soldier, each airman or each sailor is treated with the fairness he deserves from the Department of National Defence. If, therefore, I ask these questions, it is not to embarrass the minister; it is to help him to understand the working of his own department. Moreover, it would be easier for him because now he has no responsibility whatever in connection with the payments that are approved and made by the Department of Finance. This makes a great difference between the management of his department now and what it was during the last war.

There is something else. During the last war everything was done by legislation, whereas now most of what is done in the Department of National Defence is done by order in council. The powers conferred upon the minister are so great that he is empowered by order in council to extend the period of training for the draftees indefinitely. It was not done exactly that way. When the first draftees were called for training it was done by order in council, and the period was one month. Afterwards the period was extended from one month to four months, again by order in council if I am not mistaken. Then an order in council was passed giving the minister power to extend that training indefinitely.

Hon. members must recollect that at the time the draftees were first called for training an interview was given by the then chief of staff, General Crerar, who is now in command of the Canadian forces in England—

Mr. RALSTON: The Canadian corps.

Mr. POULIOT: I regret I have not always the technical expression, but it does not matter much. I am speaking of a gentleman who is highly respected by all classes, whose son started his military career as a private. This gentleman, General Crerar, gave an interview to the press, or made a statement to the effect that a month's training was enough for the time being.

Mr. HANSON (York-Sunbury): It was a speech before the Canadian club in Ottawa.

Mr. RALSTON: My hon. friend's statement is absolutely incorrect. General Crerar said he advised thirty days' training, but he did not say it was enough.

Mr. POULIOT: I am glad the minister says that. Most of the time I speak without notes; I have not time to write my speeches. My information might be wrong in detail, but the foundation is right. Therefore, whether it was in a statement given to the press or during a speech to the Canadian club here, and whether the general said it was enough or that he recommended it, what is the difference? If he recommended that, it was because he found it was enough, and what difference does the choice of words make? Enough. Taking it for granted that a man of the experience of General Crerar, who has spent his life in the Department of National Defence and who has more military experience than many others in the department, with the background of his military experience and career the general said, "I recommend one month's training." Then I wonder, if it was on the advice of the very same gentleman that the training was extended from one month to four, whether he had changed his views.

Mr. HANSON (York-Sunbury): I thought I recommended it. I got the credit for it anyway.

Mr. POULIOT: Although the leader of the opposition has a fine legal experience, he has not the military background of General Crerar. I would rather suggest to the minister that he appoint the leader of the opposition as judge-advocate-general if there is a vacancy in that office at any time.

Having the information from the leader of the opposition that it was on his recommendation that the training period was extended from one month to four, who was the military genius who advised the Minister of National Defence himself to decide, in virtue of the powers granted to him by an order in council of very wide scope, to extend that period of training from four months to an indefinite time? I do not know if it was done according to the rules of astrology, or table-turning, or inspiration, or by the ouija board, but it was done. What surprises me is the complete indifference of the Canadian people in that regard. There is a rule that is known to everyone; it is that a delegate cannot delegate, *delegatus non potest delegare*. The country has conferred power on the government by legislation, and the government takes advantage of this delegation of power to pass orders in council. But how is it that the government can go so far as to transfer to a single individual powers that were granted to them by parliament, even if that individual is the Minister of National Defence? And the more so because the minister was entitled to decide by a stroke of the pen matters that had previously been decided only by orders in council. It seems strange. But of course the Canadian people do not now have the same interest in constitutional matters that they had at the time of Mercier in Quebec, Mowat in Ontario, and other leaders of earlier days. Then they had information that was much more complete than that of to-day, and they held to the British doctrine and the great British parliamentary tradition.

What is the law? The law is just a sheet of paper. We have no more bound statutes. It takes a long time to secure orders in council of a legislative nature. I think it was my friend the hon. member for Lake Centre who asked for the production of all orders in council of a legislative nature, not of an administrative nature, and he was told that that distinction had not been made and that it would take a tremendous time to secure those orders in council duly classified. Well, sir, I have these rules that have been published in book form, small volumes that are really the law of the land in this country, because the legislation that we are enacting now is only for monetary matters; all the legislation we have which binds Canadian citizens just the same as Gulliver was tied at Lilliput by the dwarfs, is by order in council. The result is to create among the people of Canada disrespect for legislation, as well as to create embarrassment for all those who have to explain the law to either their clients or their constituents. So I regret very much that such wide powers over individuals who do not come within the jurisdiction of the hon. gentleman should have been given to the Minister of National Defence, because his department proper has no authority over the recruits until they are called to the colours and are actually in the army. Those powers, should have been given to the Minister of National War Services, if the government had been empowered by us to transfer such powers to a single minister.

If we do not have order now, what will we have in the aftermath, when the war is over? It is a most incredible situation. Either there is order in the Department of National Defence, or there is not. If there is order, it should be very simple for the minister to give the information requested as to the functions and cost of each of these branches. That is a reasonable thing; there is no libel or slander in that. It is the most ordinary thing in the world; and if there is no such order, then a change is necessary. We cannot get away from that. If the minister sees clearly what is going on in his department; if he has a chart showing the various occupations of those under him here in Ottawa, let him supply that chart to all hon. members so that there may be no embarrassment whatever when they have to deal with anyone in the Department of National Defence. This seems very clear and very easy, but we have not obtained that information from the minister. I am quite willing to sit down and listen to the hon. gentleman if he has no objection to placing such a chart upon *Hansard*, because that will be very informative.

What is the trouble with the Department of National Defence in Ottawa? It suffers from elephantiasis. I need not describe that illness, but when one is afflicted with it some parts of the body grow too large, especially the feet. The feet become bigger than the head, and it is incurable. Of course it is a disease that occurs usually in tropical countries, but since everything under the sun is changed here it is not surprising that it should occur in Canada. We are told at times when we discuss these matters of dollars and cents that we are not patriotic. I should like those who hold this view to repeat that contention before their constituents when those constituents are called upon to pay taxes. Hon. gentlemen will have

to have very sweet tongues to have that suggestion accepted by the Canadian people. I have also been told from high quarters that I have shown disrespect to those who have exposed their lives in an actual theatre of war, when I have complained about some people on the general staff. But even if I were cruel to the branch of the judge-advocate-general, I would not do harm to many who had thus exposed their lives in a theatre of war, because such are scarce in that branch, though the branch is large. There is less reason for the existence of that branch now than at any time previously, for obvious reasons. Previously the main duty of this branch was to draft and examine contracts for purchases made by the Department of National Defence. That was in the old days, before the minister had suffered *capitis deminutio,* a reduction of the head. Like my hon. friend the leader of the opposition, sometimes I feel compelled to use a dead tongue in order to find the proper legal phrase.

During the last war, and until a comparatively short time ago, the Minister of National Defence was responsible for all purchases made by his department. Then the judge-advocate-general's branch was much more important than it is now, and in it were some jurists of considerable legal ability, who were able to draft contracts and give the minister sound legal opinions. Now, however, there are no more contracts of this kind. When a purchase is made it is done by filling out requisition forms, so the Minister of National Defence has no more to do in that regard than any deputy minister or other official who makes out a requisition for what he needs. The purchases are not made by the Department of National Defence. That department must send a requisition to the Department of Munitions and Supply, which obtains whatever is required. Then the bill is paid not by the Department of Munitions and Supply, but by the Department of Finance. Have you ever seen anything like that, Mr. Chairman, in your wide experience as a parliamentarian? Of course this is the way things go, and people are indifferent to it. They say, "Let it go. It is all right. This is war time." Of course it is war time, but we want the government to be as strong in war time as it should be in peace time, and we want order in all departments.

I find that some people are very touchy. It is impossible to say a word of criticism about anyone without having someone say that you not only show bad manners but are also a coward to attack someone who is not present, as though the minister did not represent all those under him. There is no personal grudge against anyone, but we want all those in the Department of National Defence as well as those in other departments to have respect for parliament. It is my idea to preach respect for parliament and parliamentary institutions to all those in the civil service and all high officials who are in the dominion's pay.

What is our business? It is our business here as members of the House of Commons to act as intermediaries between the government and the taxpayers, so that there may be no abuse. When there is a general meeting of the shareholders of a company, any shareholder is entitled to ask the management for information about any expenditure. We are not hard on the minister; we take good care of him, and we want him to have the least possible difficulty in administering his department. I make these observations in accordance with that reference in the Bible where it is stated that the wounds of those who like are better than the kisses of those who hate.

When I say this I am not referring to the leader of the opposition. I only repeat those words of wisdom which have the sanction of time immemorial. I wonder whether the minister is in a good enough mood to give us a charter of the Department of National Defence, and whether he will explain to us the functions of all branches in his department. This is most essential, because over a year ago I asked him to supply hon. members of parliament with the King's Regulations and Orders, as amended. All hon. members know, of course, that those regulations are printed in the *Canada Gazette,* but because of the work we have to do, it is quite troublesome for us to cut the issues of the *Gazette,* and make a scrapbook. That is done in the department, and I therefore ask the minister if possible to supply all hon. members with a copy of the amended regulations. I have asked the same question three times. Finally the minister told me that in spite of the order in council passed years ago, one which is respected by all departments except the Department of National Defence, and is to the effect that upon request any member of parliament may secure not only one but two copies, one in English and one in French, of any matter circulated by the king's printer, it was not the practice of his department to do that. We are not supplied with those important regulations by the Department of National Defence. When the house sits in committee we ask for information, and it is not given to us.

Mr. RALSTON: If my hon. friend would just stop and allow someone to speak, we might get ahead. He has been asking the same thing over and over again. I do not know whether he is trying to talk on this motion until six o'clock.

Mr. POULIOT: No.

Mr. RALSTON: But, so far as I am concerned the hon. member has asked for two things. First, he has asked for the King's Regulations and Orders, and he has also asked for a statement with regard to the expenditures of each department. He has taken twenty-five minutes to ask for those two things.

I want to say first that the accounts are not made up so that one may have all the expenditures of the adjutant-general's branch under one heading. The adjutant-general has to do with promotions, pay, medical services and auxiliary services. Those are some of the most important things with which he has to deal. You would have to take not only the pay of the officers in all the branches, but all the money paid out by those branches, in order to bring the whole expenditures of the department within the terms of those four heads of branches. The same applies to the chief of the general staff.

The chief of the general staff has to do particularly with training and operations. Under him is the intelligence branch, the operational branch and training, in a very large way. He has the job of coordinating the other three chief branches, namely the adjutant-general, the master-general of the ordnance, and the quartermaster-general.

The quartermaster-general has to do with the provision of accommodation for our forces, the provision of engineering services, the provision of transportation, and the provision of food. The master-general of the ordnance has to do with the provision of equipment of all sorts, whether it be for actual fighting operations, for ordnance, munitions or anything of that kind. The accounts are not kept so that you can take any of those branches and find out how much the master-general of the ordnance spent. You would want to find out how much is paid for pay and allowances, clothing, munitions, and things of that kind. The fact that it happened to be paid out under the branch of the master-general of the ordnance means nothing at all, and would give no information of any use whatever.

I say to my hon. friend with regard to the King's Regulations and Orders that the French edition was printed, as I understand it, on April 10, and I shall be glad to see that a free copy is sent to the hon. member, and a copy of the English regulations as well.

Mr. POULIOT: I thank the minister, and I congratulate him. There is progress.

Some hon. MEMBERS: Carried.

Mr. POULIOT: But I do not see why those payments are not indicated in more detail. We should know how much is spent in each branch, and the amount spent for travelling expenses.

Mr. RALSTON: The amount for travelling expenses is $50,396,377.

Mr. POULIOT: That is all right, but it gives no information about travelling of the staff here in Ottawa.

Mr. RALSTON: It does not separate private Jones from anybody else.

Mr. POULIOT: There is something wrong in that. If we have no public accounts, then what is the use of our meeting here? We are here precisely to check expenditures. That would be done in two ways, first, by having a detailed summary of proposed expenditures and, secondly, by the rendering of accounts. We have not that information. With respect to accounts we have no information for amounts under $35,000. That is an intolerable situation. We should have more information than that, and I say that in the best possible spirit. I do not wish to delay the passing of the resolution, but—

Some hon. MEMBERS: Oh, no!

Mr. MACKENZIE (Vancouver Centre): It is six o'clock.

Mr. HANSON (York-Sunbury): I should like to say, so far as the official opposition is concerned, that we would be glad to proceed with the navy to-morrow.

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Mr. HANSON (York-Sunbury): There is only one resolution. The navy and the air expenditures are to follow.

Mr. POULIOT: I am not bound by what the leader of the opposition has decided. He has only to look after his own conscience as leader of the opposition.

Progress reported.

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

Thursday, May 7, 1942

The house met at three o'clock.

TORONTO HARBOUR COMMISSIONERS

DECLARATORY POWERS WITH RESPECT TO DEBENTURES AND BORROWING

Hon. J. E. MICHAUD (for the Minister of Transport) moved for leave to introduce Bill No. 68, respecting the Toronto harbour commissioners.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WARTIME HOUSING—HALIFAX

Mr. ISNOR:

1. How many houses were built by Wartime Housing Limited within the city limits of Halifax?
2. What types of houses were built and how many of each type?
3. What was the cost per unit of each type?
4. How many of each type are now occupied?
5. What rental is charged for each type?
6. Are there any restrictions to the type of tenants?
7. Do all tenants occupying homes come within the regulations?
8. Was an application received from the city of Halifax for the use of any other houses within the city limits?
9. What arrangements, if any, were made with the city of Halifax in respect to renting these houses?

Mr. HOWE:

1. 541 houses.

2. Wartime Housing Limited built within the city limits of Halifax the following number of H type houses: Type H1 and H2—332 houses; Type H11 and H12—162 houses; Type H21 and H22—47 houses.

Note: The above types are four-room bungalows with two bedrooms except type H11 and H12 which are six-room houses with four bedrooms.

3. The average cost per unit for each type of house is as follows: Type H1 and H2—$2,045.60; Type H11 and H12—$2,803.05; Type H21 and H22—$2,196.55 (estimated only).

4. The following number of houses are occupied: H1 and H2—320 houses; H11 and H12—140 houses; H21 and H22—46 houses.

5. The rental rates are as follows: Type H1 and H2—$25 per month; Type H11 and H12—$32 per month; Type H21 and H22—$27.50 per month.

6. Yes, they are rented to men and their families engaged in the manufacture of munitions or engaged on defence projects or as otherwise directed by the Minister of Munitions and Supply.

7. Yes. Excepting where exceptions were made by the minister in the case of the armed services and other government services.

8. Yes.

9. The city of Halifax was offered certain houses for a specific tenancy. No houses were available in Halifax for this purpose when the city desired same; houses in Dartmouth were offered the city of Halifax in substitution but were refused.

WARTIME PRICES AND TRADE BOARD NEWS SUMMARY

Mr. FRASER (Peterborough West):

1. How many are employed on the staff of the wartime prices and trade board for the production of the wartime prices and trade board news summary?
2. Who edits the material appearing in the news summary?
3. What is the, (a) daily cost, (b) monthly cost of issuing the news summary?

Mr. ILSLEY:

1. Two, part-time.

2. This sheet is prepared solely for distribution within the board's staff and its purpose is to keep members of the staff informed as to board orders and press releases, additions to or changes in senior personnel and in brief summary form to direct their attention to newspaper items and articles in the weekly and monthly press that may be of interest to them.

3. (a) $6.75; (b) $175.50.

NATIONAL WAR LABOUR BOARD

Mr. COLDWELL:

1. What is the personnel of the national war labour board and what organizations or interests recommended the appointment of each of them?
2. Who are the members of the executive of the national war labour board and what salary or other remuneration does each receive?
3. (a) Who acts as chairman of the board or executive when the Minister of Labour is occupied elsewhere; (b) how many meetings of the board has each member attended; (c) how many meetings of the executive has each member of the executive attended?
4. What is the exact procedure of the board for the consideration and settlement of cases which come before it?
5. What provision is there for labour unions to present their case before the board through the personal appearance of their representatives and what provision is there for them to appear before the executive of the board?
6. (a) How many cases concerning wage increases or bonus payments have been before

the board to date; (b) how many of these were brought before the board through applications by employers and how many through applications by employees; (c) how many wage increases have been granted by the board on employers' applications and how many on applications filed by employees; (d) how many bonus payments or increases have been granted to each of the two groups of applications; (e) what in each case were the grounds for granting the applications and what were the grounds for refusal in those cases where the application was rejected?

Mr. MITCHELL: The first five questions have been answered. I can answer the sixth if the hon. member who asked the questions will give us time to get the necessary material. We have been under pressure for the last two or three days because of the national boards which are meeting here.

Mr. COLDWELL: Yes, I understand. That is all right.

Mr. SPEAKER: The last part of the question stands.

Mr. MITCHELL:

Members of National War Labour Board

1. Honourable Humphrey Mitchell, M.P., chairman.

Dr. Bryce M. Stewart, Deputy Minister of Labour, vice-chairman.

Name—Position and Address—Nominated by

Bell, John A.—General chairman, Order of Railroad Telegraphers, 139 Pacific avenue, Toronto, Ont.—International Railway Labour organizations.

Deschamps, A.—President, Builders Exchange, 680 Sherbrooke St. W., Montreal, Que.—Canadian Construction Association.

Dunn, W. — Financial secretary-treasurer, Toronto District Labour Council, 404 Merton street, Toronto, Ont.—Trades and Labour Congress of Canada.

Hodge, George—Manager, Dept. of Personnel, Canadian Pacific railways, Montreal, Que.—Canadian Chamber of Commerce, and by Railway Association of Canada.

Jackson, Gilbert—President, Sentinel Securities of Canada Ltd., Toronto, Ont.—Canadian Manufacturers Association.

McClelland, John—Valois, Que.—Trades and Labour Congress of Canada.

Mosher, A. R.—President, Canadian Congress of Labour, 230 Laurier Ave. W., Ottawa, Ont.—Canadian Congress of Labour.

Picard, Gerard—General secretary, Confederation of Catholic Workers of Canada, Quebec, Que.—Confederation of Catholic Workers of Canada.

Stovel, J. H.—Vice-president and general manager, Dome Mines, South Porcupine, Ont.—Canadian Manufacturers Association, and by Ontario Mining Association.

Taylor, H.—Industrial Relations Department, Canadian National Carbon Co. Ltd., Toronto, Ont.—Canadian Manufacturers Association.

[Mr. Coldwell.]

Members of Executive Committee

2. Chairman, Honourable Humphrey Mitchell, M.P.; vice-chairman, Dr. Bryce M. Stewart, Deputy Minister of Labour; George Hodge—serves without remuneration—recouped actual out of pocket expenses; J. A. McClelland—$8,000 per annum.

3. (a) In the absence of the chairman, the vice-chairman presides at board meetings.

(b) Twenty meetings of the National Board have been held. The following is the attendance list:

	Meetings (days)
Chairman	15
Vice-chairman	9
Bell, John A	20
Deschamps, A	18
Dunn, W	19
Hodge, George	20
Jackson, Gilbert	20
McClelland, John A	20
Mosher, A. R	20
Picard, Gerard	20
Stovel, J. H	19
Taylor, H	20

(c) The executive committee has held 53 executive sessions.

The following is the attendance record at the regular meetings of this committee:

	Meetings
Chairman	18
Vice-chairman	46
George Hodge	52
J. A. McClelland	49

In addition the committee has been in conference almost every day.

4. All decisions of the National Board are made by the board itself. Method of procedure in dealing with applications of the board is in accordance with the by-laws as adopted and provided in order in council P.C. 8253. A copy of the by-laws is submitted.

The attached letter of instructions also indicates the procedure followed in giving notice of applications and hearings and recording of decisions.

5. Answered by No. 4.

6. To follow.

The National War Labour Board

By-laws

1. (1) In these by-laws unless the context otherwise requires,—

(a) "bonus" means the cost of living bonus for which provision is made in the order;

(b) "National Board" means the National War Labour Board;

(c) "national employer" means

(i) any employer engaged in

(a) the operation of lines of steam or other ships, railways, canals or telegraphs, including all services ancillary thereto, connecting any province with any other or others of the provinces or extending beyond the limits of the province;

(b) the operation of any system of air, bus or truck transportation connecting any province with any other or others of the provinces or extending beyond the limits of the province;

(c) the operation of any electrical power or transmission works connecting any province with any other or others of the provinces or extending beyond the limits of any province, or serving two or more provinces;

(d) mining;

(e) the operation of any shipyard.

(ii) any other employer who is so designated by the National Board, either specially or as a member of a class so designated, pursuant to the provisions of these by-laws.

(d) "Order" means the War Time Wages and Cost of Living Bonus Order (order in council P.C. 8253 of October 24, 1941, and any amendments thereto).

(e) "Regional Board" means a Regional War Labour Board;

(f) "the administration of the order" includes the administration of order in council, P.C. 7679 of the 4th October, 1941, and the administration of the Fair Wages and Hours of Labour Act, 1935.

(2) Any employer, other than a national employer, who employs persons in two or more regions, shall, for the purposes of the administration of the order, be deemed to be an employer carrying on business as in each of such regions in respect of his employees in each of such regions.

(3) Other words and expressions used in these by-laws shall, unless the context otherwise requires, have the same meaning as in the order.

The National Board

2. (1) The meetings of the National Board shall be held at the call of the chairman, or in his absence at the call of the executive committee, at least once in each month unless otherwise directed by the National Board.

(2) The chairman, or in his absence such other member of the executive committee as he may designate, shall preside at any meeting of the National Board.

(3) The decision of the majority of the National Board at any meeting shall be the decision of the National Board and in the event of a tie the chairman shall have a casting vote.

(4) There shall be a secretary of the National Board who shall keep the minutes of the meetings and the records of the National Board.

3. (1) The chairman, or in his absence such other member of the executive committee as he may designate, shall preside at any meeting of the executive committee.

(2) The decision of the majority of the members of the executive committee present at any meeting shall be the decision of the executive committee.

(3) The secretary of the National Board shall be the secretary of the executive committee and shall keep the minutes of the meetings and the records of the executive committee and shall conduct such correspondence and perform such other duties as the executive committee may direct.

4. (1) The executive committee shall,—

(a) through the chief executive officer, control and direct the staff in the office of the National Board or assigned to the administration of the order in respect of national employers;

(b) report to the National Board on such matters and at such times as the National Board may require.

(2) In any case where any immediate action by the National Board is urgently required and where the executive committee is of opinion that it is not in the public interest to delay such action until the matter can be referred to the National Board the executive committee may act for the National Board and for such purpose may exercise all powers conferred by the order or by these by-laws on the National Board and shall report such action to the National Board at the next meeting thereof.

5. The chief executive officer of the National Board shall carry out the directions of and shall perform such duties as are assigned to him by the executive committee.

6. The chairman, any member of the executive committee, the chief executive officer or the secretary of the National Board may sign any document or communication on behalf of such board.

Regional Boards

7. A regional board may make such rules as may seem expedient for the conduct of its business and preceedings not inconsistent with the provisions of the order or of these by-laws.

8. (1) A regional board shall exercise control and direction over the staff in the office of the regional board or assigned to the administration of the order in respect of employers other than national employers in the region with respect to which such regional board is appointed.

(2) A regional board shall comply with any request of and shall give effect to any order or direction by the National Board.

Administration

9. The National Board shall

(1) control and direct the administration of the order in respect of national employers;

(2) supervise the regional boards in the administration of the order in respect of employers other than national employers;

(3) from time to time issue such rulings and instructions to the regional boards or prescribe such form or forms for use by the National Board or regional boards as may be necessary to ensure uniformity in the administration of the order.

10. The National Board may from time to time designate any employer or any class of employers, not included in the classes of national employers enumerated in these by-laws, as a national employer or as national employers.

11. (1) A regional board shall be charged with all duties and responsibilities in respect of the administration of the order in respect of employers, other than national employers, carrying on business within the region with respect to which such regional board is appointed.

(2) For such purpose a regional board may act for the National Board and shall perform all duties imposed upon the National Board and may, subject to the provisions of these by-laws, exercise all powers conferred on the National Board by the order.

(3) A regional board shall be governed in the performance of such duties or in the

exercise of such powers by any rulings or instructions issued by the National Board and any decision, order or direction of any regional board shall be in accordance with such rulings or instructions.

(4) Where with respect to any matter the opinion of a regional board is divided in respect of the interpretation or application of the order or of any ruling or instruction of the National Board or where in any case in the opinion of a regional board there is doubt in respect thereof, the regional board shall not make any decision or give any order or direction with respect to such matter or in such case until the regional board has referred such question of interpretation or application to the National Board.

Procedure

12. Any application by any employer or employers or any employee or employees or any association of employers or of employees requesting any board

(a) to prescribe increased wage rates; or

(b) to defer payment of any bonus for any period or to adjust the amount of any bonus; or

(c) to determine any dispute as to whether a bonus is payable or the amount of any bonus; or

(d) to exempt any employer from payment, in whole or in part, of the bonus;

shall be required to be submitted in writing.

13. (1) Any application in respect of a national employer shall be referred to the National Board and any application in respect of an employer other than a national employer shall be referred to the regional board for the region in which such employer carries on business.

(2) The National Board or any regional board to which an application is referred shall give notice in such manner, as, in the circumstances, it deems sufficient to any person, firm, corporation or association having an immediate interest in the matter in respect of which such application is made and shall give an opportunity for representations to be made by or on behalf of every such person with regard thereto.

(3) The National Board or any regional board to which an application is referred shall make such inquiries and investigations into the matter in respect of which such application is made as it deems necessary for the proper disposal thereof.

General

14. (1) Any regional board to which notice is given of the modification of any labour agreement inconsistent with the provisions of the order to bring it into conformity therewith or to which notice is given of the suspension of any other condition of work suspended in the interest of war production shall send such notice to the National Board.

(2) The National Board shall keep a record of all such notices and of all notices of a like nature sent directly to the National Board.

15. All meetings, records, deliberations and discussions of the National Board or the executive committee or of any regional board shall be confidential and shall not be disclosed unless such disclosure is authorized by the National Board or the executive committee or by the regional board, respectively, and any such disclosure shall be made by the chairman of the National Board or in his absence such person as he designates for such purpose or by the chairman of the regional board or in his absence such person as he designates for such purpose.

16. Subject to the approval of the Minister of Labour the National Board may from time to time amend these bylaws.

National War Labour Board

To Chairmen and Chief Executive Officers
Regional War Labour Boards.
Administrative Procedure Letter No. 4

Re: Giving notice of applications and hearings, recording of decisions, etc.

A. Notice of Application:

1. Application in writing received. If the material in support of the application is not complete, an opportunity to complete it should be given to the applicant.

2. If application is accompanied by a consent by or on behalf of all parties having any immediate interest in it no notice need be given.

3. If application is not accompanied by such a consent, the chief executive officer of the board to whom application is made shall give notice as follows:

(a) if the application is made by the employer, to all employees having any immediate interest in it either individually or by posting a form of notice (draft form attached) in the office, plant or works of the employer. The employer may be directed to post such notice for such period and in such manner as the board directs and to furnish proof of the posting;

(b) if the application is made by or on behalf of all employees having any immediate interest in it, to the employer;

(c) if the application is by some but not all employees having any immediate interest in it, to the employer and the other employees who have any immediate interest in it.

4. In the event that the working conditions in respect of which applications are made are covered by a collective agreement, it will be sufficient if notice to the employees is given to the signatories on their behalf of the collective agreement.

5. Upon receipt of an application, the chief executive officer will analyse all material submitted with the application and all representations, if any, made in respect thereof and if necessary request further material and make an investigation. A summarized analysis of all material will then be submitted to the board together with any suggestions of the chief executive officer.

B. Notice of Hearing:

If the board considers it necessary, for the proper determination of the questions submitted in the application, to hold a hearing, notice of the holding of the hearing shall be given in the same manner as that outlined in the case of notices of applications and shall state the time and place of the hearing, together with the order of the appearance of the parties, if necessary.

C. Recording Decisions:

The decision of the board will be recorded by a minute in the following manner:

"An application having been received from ....., employer, (or employees or on behalf of employees of ....., employer) requesting the board to
(state question for decision)
and all parties having any immediate interest therein having consented (or—"and an opportunity having been given to all parties having any immediate interest therein to make representations with regard thereto");
The board finds
(state finding of board)
and that it is fair and reasonable to
(state proposal to be made by board)
and prescribes and directs..."
(direct board's proposal to be carried out)

D. Announcing Decisions:

The formal decision of the board shall be given to all the parties concerned in the manner set out above and shall be in the following form or in a form as nearly analogous thereto as the circumstances permit:

"In the matter of the Wartime Wages and Cost of Living Bonus Order, and

In the matter of an application of..... employer (or employees or on behalf of employees of.....employer) for.....
(state briefly the substance of the question submitted in the words of the minute)

Finding and direction

The above mentioned application having been considered by the board and all parties having any immediate interest therein having consented to the granting thereof (or— "and an opportunity having been given to all parties having an immediate interest therein to make representations with respect thereto") the Regional War Labour Board for..... has found.....
(insert in the wording of the minute)
and has found
(insert in the wording of the minute)
and has directed
(insert in the wording of the minute)
Chairman,
Regional War Labour Board for

E. General:

1. In the case of an application to the board to determine whether certain employees are above the rank of foreman or not there will not, of course, be any finding as to fairness or reasonableness or any direction and the decision will be limited to a direct finding.

2. Every finding, decision, determination, order or direction should adhere strictly to the words of the clause in the order under which it is made and the methods outlined above.

3. No reasons for any finding, decision, determination, order or direction are to be given unless authorized by the National Board.

F. Printed Forms:

Printed forms covering notice of application, notice of hearing, and the imparting of decisions are being prepared. Until these are supplied, the use of Regional War Labour Board letterheads containing the wording outlined herein will suffice.

E. R. Complin,
Chief Executive Officer.

Ottawa, Ontario.
January 26, 1942.

44561—140½

Regional War Labour Board
for.....
Notice of Application
under
Wartime Wages and Cost of Living Bonus Order (P.C. 8253)

Take notice that an application to the Regional War Labour Board for.....has been made by or on behalf of.....requesting such Board to.....

Representations in respect of such application may be submitted in writing by or on behalf of all parties having any immediate interest therein to such Regional War Labour Board on or before.....after which date such Regional War Labour Board may, without further notice, give consideration to such application. If the board considers it necessary to hold a further hearing, notice of such hearing will be given.

.....
Chairman, Regional War Labour Board for

EXEMPTION OF DIVINITY STUDENTS FROM MILITARY SERVICE

Mr. CHURCH:

1. Are divinity students in the various theological colleges and universities of Canada exempt from joining his majesty's forces in this war?

2. If so, by what authority and how many of each denomination have been so exempted in each military district?

3. What are the regulations and interpretation given to it by the various exemption boards, what instructions do these boards act on and who instructs them?

Mr. THORSON:

1. No.

2. See answer to 1.

3. Section 6 of National War Services regulations, in so far as this question is concerned, reads as follows:—

"The following persons shall be excepted from being called out:—

(b) Members of the clergy or religious orders.

(c) Regular clergymen or ministers of religious denominations."

All students, including divinity students, taking courses leading to degrees or diplomas in universities or colleges, may complete their studies if they become members of the Canadian Officers' Training Corps or auxiliary training units thereof, where such exist, and undergo the training required of such members to the satisfaction of the military authorities.

RADIO LICENCES

Mr. HANSON (Skeena):

1. What was the total number of radio licences issued for 1941?

2. What was the total amount collected?

3. What was the total cost of collecting such licences?

4. How many radio licences were issued in each province, and in the Yukon Territory, in 1941?

Mr. HOWE:

1. 1,615,473.

2. $3,904,016.

3. $473,115.84 (commissions $275,738.65; administration $197,377.19).

4.

	1941-42
British Columbia	137,363
Alberta	120,930
Saskatchewan	121,084
Manitoba	103,807
Ontario	603,331
Quebec	399,722
Nova Scotia	71,429
New Brunswick	48,425
Prince Edward Island	8,644
Yukon	173
Northwest Territories	565
	1,615,473

Above figures from 1st April, 1941, to 31st March, 1942 (not final for fiscal year).

QUESTION PASSED AS ORDER FOR RETURN

OLD AGE PENSIONS

Mr. JACKMAN:

1. How many pensions are being paid under the Old Age Pensions Act in each of the provinces of Canada as of a recent date?

2. What is the average amount paid to each individual pensioner?

3. What is the aggregate cost to the dominion and provincial governments of all pensions paid under the Old Age Pensions Act during the last available calendar year, or twelve months fiscal period?

4. What would have been the additional cost to the dominion government if the maximum pension had been raised from $20 to $25 per month during such twelve-month period?

5. What would have been the estimated cost under the act to the dominion government during such twelve-month period if the pensionable age had been lowered to 65 years instead of 70 years?

6. What was the cost of administration to the dominion government during such twelve-month period?

7. What amount was recovered by the dominion government during such twelve-month period under, (a) section 9, subsection 2, of the Old Age Pensions Act; (b) section 9, subsection 3, of the Old Age Pensions Act?

8. What would be the estimated cost under the act to the dominion government of granting an old age pension of $25 per month to all citizens of Canada, irrespective of private means, on the basis of the 1941 census, (a) on the basis of the 70-year age limit; (b) on the basis of the 65-year age limit?

[Mr. Hanson (Skeena).]

9. How much was paid to each province by the dominion government under the Old Age Pensions Act during 1930, 1940 and 1941?

10. At what time or times were audits made of the accounts and other records of each province relating to old age pensions?

PRIVILEGE—Mr. CLAXTON

REFERENCE TO STATEMENT OF MR. POULIOT IN DEBATE ON MAY 5

Mr. BROOKE CLAXTON (St. Lawrence-St. George): Mr. Speaker, I rise to a question of privilege. Speaking in the house on Tuesday, the hon. member for Témiscouata (Mr. Pouliot) is reported at page 2166 of *Hansard* to have referred to a report in the New York *Times* of a speech which I made at Williamstown. The hon. member states that I said, quoting this report:

We cannot afford to fight in North America, dominion parliamentarian warns.

The quotation ends, and the hon. member goes on:

Imagine! If the enemy comes here, we must surrender at once.

What I said was:

The only place where we cannot afford to defeat the enemy is in North America. We cannot afford to wait until the enemy is here.

I should think that every hon. member would agree with that sentiment.

VICHY REPRESENTATION

STATUS OF DIPLOMATIC RELATIONS—RETURN TO CANADA OF MR. DUPUY

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): I may say to the leader of the opposition (Mr. Hanson) that Mr. Dupuy has arrived on this continent to-day and I expect he will be in Ottawa this evening.

Mr. HANSON (York-Sunbury): Good.

CANADIANS IN JAPAN

TRANSFER OF PROTECTION OF CANADIAN INTERESTS FROM ARGENTINA TO SWITZERLAND

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): In accordance with the government's policy of making public as quickly as possible all reliable information received about the welfare of Canadians in enemy hands, a statement about conditions in Hong Kong, received from the British embassy in Chungking, was given to the press last night. It reads:

His Majesty's representative at Chungking reported that he has received information from

sources which are considered reasonably reliable concerning the conditions under which Canadian prisoners are being held by the Japanese.

These reports would indicate that Canadians are receiving a good ration of rice supplemented by vegetables and bread daily, and a small quantity of meat. They are allowed to send out their trucks to bring in their food. They are also reported to have their own ovens for baking bread.

The information which has come to hand further discloses that very little disease exists, with the exception of a few cases of dysentery, and that supplies of quinine are on hand in the camp.

From the same reports it would appear that there is a shortage of warm clothing and blankets.

The house is aware that two days ago the Secretary State for Dominion Affairs made a statement in the House of Commons, London, with regard to a decision taken by the United Kingdom, in consultation with the governments of the dominions and of the other united nations, to transfer the protection of British interests in Japan from Argentina to Switzerland.

The welfare of Canadian nationals in Japanese hands, members of the Canadian forces and civilians alike, has been the cause of anxiety to the Canadian government ever since the outbreak of war with Japan. Throughout this trying period the Argentine has been our protecting power in Japan. The Canadian government deeply appreciate the services which have been rendered by the Argentine government, the Argentine foreign office and, in particular, by the Argentine embassy in Tokyo. As a result of their efforts, they have made progress in their work on behalf of Canadian prisoners of war, despite the refusal of the Japanese government to recognize any neutral government as protecting Canadian or British interests in Hong Kong.

Our government's decision to transfer the protection of Canadian interests in Japan from Argentina to Switzerland has been taken in order that the protection of Canadian interests in axis countries should be in the hands of a single protecting power. As Switzerland has assumed the protection of Canadian interests in Germany and Italy, and territories occupied by Germany and Italy, since the United States entered the war, Switzerland has been asked to take over the protection of Canadian interests in Japan. Canadian interests in Japan and Japanese-occupied territories are inextricably bound up with the interests of the United Kingdom and other parts of the Commonwealth, and it is felt that administrative arrangements for their protection can be effectively centralized in a single protecting power.

Hon. R. B. HANSON (Leader of the Opposition): It is not clear from the statement made by the Prime Minister with respect to persons in Hong Kong whether the increase in diet applies to prisoners of war or merely to internees. Could the Prime Minister enlighten us on that point?

Mr. MACKENZIE KING: The only information that has come to us is from the source I have indicated and the word used is "Canadians". The dispatch did mention the word "camp", which might indicate prisoners of war.

MUNITIONS ASSIGNMENT BOARD

FINANCIAL IMPLICATIONS—NORTH AMERICAN SUPPLY COUNCIL

On the orders of the day:

Mr. J. H. HARRIS (Danforth): I wish to address a question to the Minister of Finance. Can he tell the house what would be Canada's financial implications in connection with the proposed membership in the munitions assignment board of the united nations? While I am on my feet perhaps I might address a question to the Minister of Munitions and Supply. Can he enlighten us as to whether Canada has made any further commitments with regard to the North American supply council? Perhaps hon. gentlemen who were in conference in Washington during the last forty-eight hours might tell the house and the country what has taken place.

Hon. J. L. ILSLEY (Minister of Finance): With regard to the first matter, it is not so far advanced that any statement can be made as to Canada's financial implications. I am not sure that I understand what the phrase means, whether it relates to cost to Canada or perhaps something more, but in any event, as I say, the matter has not reached a sufficiently advanced stage to make possible any statement about it.

Mr. HARRIS (Danforth): It would probably mean a new treaty?

Mr. ILSLEY: I do not know.

Mr. HANSON (York-Sunbury): Will the minister make a statement at a later day?

Mr. ILSLEY: Yes.

Hon. C. D. HOWE (Minister of Munitions and Supply): In the matter of the British supply council in north America, this is a coordinating body for all British supply activities in the United States. It was organized, I believe, in December, 1940. I happen to be a member, not particularly representing Can-

ada, because Canada has no particular business with the supply council in the United States, but it is the connecting link between the British purchasing commission and the British food mission, the British shipbuilding mission, and a number of other missions that are functioning in Washington.

BRITISH COAL SHORTAGE

PROPOSED DRAFT OF MINERS FROM NOVA SCOTIA AND ONTARIO FIELDS

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I wish to direct a question to the government and more specifically perhaps to the Minister of National Defence (Mr. Ralston). In view of the serious shortage of coal in England as stated in the British House of Commons to-day, when it was found necessary to take 7,000 men from the army and put them back in the coal fields, and as we have already sent a forestry corps overseas, will the government consider sending a battalion or draft of miners from the coal fields of Nova Scotia as well as miners from northern Ontario, who are among the best trained in the world—

Some hon. MEMBERS: Order.

Mr. BRUCE: —to help in Britain's coal fields?

Mr. SPEAKER: I think that question should be placed on the order paper.

MILITARY SERVICE

CONSCRIPTIVE POWERS OF GOVERNOR IN COUNCIL UNDER THE WAR MEASURES ACT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I wish to ask a question with reference to a motion which yesterday stood in the name of the hon. member for Huron North (Mr. Cardiff) asking for a copy of all opinions rendered by the Department of Justice with reference to the power of the governor in council under the War Measures Act to conscript men for service in any theatre of war. The Minister of Justice (Mr. St. Laurent) asked to have that motion stand on the ground that he wanted to consider whether or not this request could be complied with without violating privileges which are said to exist with regard to certain communications between the Department of Justice and other departments of the government. I would ask him if he has come to any conclusion. If not, when will he come to a conclusion and make an announcement?

[Mr. Howe.]

I may express at least surprise that there should be any question about producing to the house a legal opinion of the Department of Justice on such an important matter of public policy. Heretofore on request I have always been supplied with copies of legal opinions, and perhaps I am not violating any confidence when I say that the minister was good enough to give me this very opinion, though I had no idea that there was any secrecy attached to it. Of course I have not made it public in any way. I think there is an important principle involved. Surely, when the Prime Minister and, I believe, the Minister of National Defence intimate that the government have received such an opinion from the Department of Justice, we ought to know the nature of that opinion. Surely the public are entitled to legal opinions of that kind. I do not think there can be any question about it.

Hon. L. S. St. LAURENT (Minister of Justice): There is no intention of not having this order made or of not producing these opinions, of which there are two. The house will appreciate that the Department of Justice could not produce these opinions, as they are directed to other departments of government. In my view, there are certain communications in the nature of opinions from the Department of Justice to other departments of government which should be privileged. It was only for the purpose of making some reservation and avoiding making that reservation in too broad terms that I asked yesterday that the item stand. As a matter of fact I wish to consult His Honour and the Clerk of the House so as to make a reservation that will not go beyond the practice of the house.

WAR APPROPRIATION BILL

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

The house resumed from Wednesday, May 6, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

NAVAL SERVICES

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Mr. Chairman, not often do I claim the attention of this house or of any of its committees. As a matter of fact, if I were to disregard answers to questions, the tabling of returns and other formal occasions of that nature, I could say

that I have spoken to the house only three times since I have been a member of it, that is, since November, 1940. I have felt that enough speeches were being made on the war without my adding to the number, and I agree with what was said by a newspaper man some months ago that if words could win the war we would have beaten the axis long ago.

It might be of some advantage to the committee if, before any detailed consideration of the estimates of the Department of National Defence for Naval Services be undertaken, I should give to the committee a broad outline of the work of the Royal Canadian Navy. That work is part of the greatest naval undertaking of which history has any record. Every continent in the world, with the exception of south America, is wholly or partly engaged directly in this great struggle. This fact alone implies that men and supplies have to be transported over great distances and that much of that transport has to be over the sea. Five-sevenths of the surface of the earth is covered with water, and since the conflict is now universal or global in character the magnitude of the task of the merchant navies of the allied countries, and of the task of the ships which escort those navies, must be apparent to all.

It is the simple truth to say that if you were to set out by ship from the western shore of Canada across the great Pacific ocean, continue on through the Indian ocean, then around through the Red sea and into the Mediterranean and back into the Atlantic—or you could take the alternative route, down by the island of Madagascar and the cape of Good Hope into the Atlantic—and thence across the Atlantic to the eastern shore of Canada, you would have practically circumnavigated the globe. Over all that tremendous distance, over all that great expanse of water, you would be liable, if you were in a British or allied ship, to attack at any given instant of time. In not a single foot or fathom of those waters could the ship be considered absolutely safe from enemy attack. The allied nations are on the circumference of a great circle, a circle as great as the world; the enemy is within the circle, and he has been and is now able to make sudden thrusts to break the circumference of the circle at any given point. Hence you have thrusts in the Japanese area extending from Australia to the shores of India; you have thrusts by the Germans all along the eastern coast of Europe. It is an easy thing to do; it is a difficult thing to counteract.

Over that 20,000 miles of sea line the ships of the allied countries must ply, carrying men and materials; and where these merchant ships go, escort vesels ought to go also. In the first years of the war the main line to be guarded was the line running between North America and Great Britain. From the very beginning of the war the Canadian navy has cooperated with the Royal Navy in the defence of that line, and while in recent months the conflict has spread to the Pacific ocean, and, in consequence, other supply routes have to be guarded and maintained, still the Atlantic route, linking Europe and North America, continues to be and always will be of prime importance. That line is now guarded and watched by navies of the United Kingdom, the United States, and Canada, and it is guarded in almost equal measure by these three navies.

Historically the role of a navy has been to provide battle fleets and to escort merchant ships. The navy's function was to engage the enemy surface craft in direct combat and to protect merchant shipping. Then in the history of naval warfare two new menaces appeared, the mine and the submarine. So that where at one time we needed powerful ships and powerful guns to deal with surface attack, now new methods of naval warfare have to be evolved. These methods take the form of small but fast craft such as destroyers, corvettes, mine-sweepers, motor torpedo boats and smaller types of ships.

It is along these lines that the Canadian navy has developed. Up to the present our navy has been primarily a convoy navy, and its main purpose has been to match in speed and power the attacks made by enemy ships. But as the enemy improves the speed and striking power of his ships we must at the very least keep pace, and desirably we should outstrip him. It is no secret now that some of the enemy U boats, some of the enemy submarines of the more modern type, are considerably faster and stronger than formerly. It is known also that German submarines can leave their bases on the shores of Europe, cross the Atlantic, spend some time hunting ships along the ocean lanes or along the Canadian or United States coasts, and still be able to return to their bases on the shores of Europe without the necessity of refuelling. It is no secret either that submarine attacks have been carried out within sight of the Canadian coast and within sight of the coasts of the United States within recent months.

Our naval engineers here and in the United States and Britain are constantly on the alert to meet these new threats to the safety of our convoy routes. In spite of all that can be done to ovecome submarine attacks it must be admitted that during this year, 1942, merchant shipping losses have been very heavy, particularly in North American coastal waters.

Mr. HANSON (York-Sunbury): Does the minister mean convoy shipping?

Mr. MACDONALD (Kingston City): I am just coming to that. The reason for this condition is to be found in the difficulty of providing convoys for all ships that ply the seas, and the very fact that the enemy has had such a considerable degree of success against non-convoyed ships is proof of the effectiveness of the convoy system. We must provide merchant ships to replace those that have been lost; but, Mr. Speaker, merchant ships alone are helpless to-day, in a war of this character. To the utmost limit of our ability to produce and man them, we and our allies must turn out fighting ships to guard our freighters, our tankers, our supply ships of all kinds that are carrying the products of our farms and factories over the seas. It would be vain and fruitless for us to speed up and greatly increase our production of war supplies for overseas, unless we could transport those supplies overseas. It would be senseless for us to encourage our farmers to produce more and more food for our allies if we could not carry that food to them.

I come now to the growth of the Canadian navy. I may remind hon. gentlemen that when I first spoke to the House of Commons on naval matters I pointed out that at the beginning of the war the Canadian navy had some fifteen ships available for service; and at the time of my first speech, in November, 1940, I was able to say that this number had increased to 155 ships. At that time I expressed the hope that by the end of the fiscal year 1941-42, that is by last March 31, we might reach the figure of 250 ships. I can now say that this figure has been far exceeded, and that at the end of the last fiscal year there were more than 400 ships flying the white ensign and under the command of the Royal Canadian Navy. These ships range from auxiliary cruisers down to destroyers, corvettes, minesweepers, motor patrol boats, motor torpedo boats, and a large number of other auxiliary craft. So that in ships alone the navy to-day is nearly thirty times as great as it was at the outbreak of war.

What about man-power? When the war began the number of men in the navy was 1,774. In late 1940 we planned to have about 23,000 men in the navy by the end of the then coming fiscal year, that is, by March 31, 1942. That was our estimate of strength at that time, but that figure too has been well exceeded. Instead of 23,000 men, on that date the Royal Canadian Navy had more than 31,000 men, or an eighteen-fold increase over the figure at the outbreak of war. These men have been enlisted in all parts of Canada. Most of them have come from the Royal Canadian Naval Volunteer Reserve, of which there are some eighteen divisions in the dominion, from Charlottetown on the east to Vancouver on the west. Every province has given its share of men, though I am bound to say that the provinces of Nova Scotia, Prince Edward Island and British Columbia, where the tradition of the sea is strong, have given larger numbers per capita than the other provinces. But as I have said, we have had our share of recruits from all provinces. We have had them from the banks of the St. Lawrence and the Quebec seacoasts, from the shores of the great lakes, from the province of Manitoba, as well as from the prairie provinces of Saskatchewan and Alberta, and there is no lack whatever of recruits for the navy; there is still a very considerable waiting list for that service.

Most of our men serve on Canadian ships or in Canadian shore establishments, but more than 1,100 Canadians are serving with the Royal Navy on every type of ship. You will find them in battleships of the British navy, in cruisers, in destroyers, in corvettes, in motor boats, in submarines and in every other type of craft. You will find them on every sea. They have fought in every part of the world—in the Atlantic, in the Pacific, in the Indian ocean and the Mediterranean sea. As a matter of fact when the Royal Navy cruiser *Dorsetshire* was sunk in the Indian ocean a few weeks ago, no fewer than six of her officers were Canadians, among them the son of my colleague the Minister of Munitions and Supply. Fortunately all those young Canadian officers were saved when that ship went down.

The personnel, the man-power of the Canadian navy, depends on several factors. One of these, of course, is the number of men available. In this respect, as I have pointed out, there is no shortage. A second factor is the number of ships. Here for some time the production of ships and the training of men have proceeded at an almost equal pace. But the third factor, which is now beginning to constitute one of the main problems of the navy, is the supply of properly trained officers and petty officers. The training of these men is of necessity, from the very nature of the case, long and varied. They can learn some things on shore, but after they have had all the training that can be given on land there is still a long period of sea training necessary before you have an efficient officer or petty officer. Normally—I am speaking now of peace time—a man would not be given command of a ship unless he had served for some years at a school or shore establishment, then

a period of service at sea, then more time on shore, and then again to sea as a junior officer. In the British navy in normal times it would take a man from twelve to fourteen years, from the time he entered the navy as a youth, before he would be considered fit to command a ship. In war time of course there are many cases in which that time has to be considerably abridged. But with a navy such as ours, which at the beginning of the war had only 1,774 officers and men, it can be seen how difficult was the task and how difficult is the task to-day of providing from so small a nucleus for the expansion which has taken place.

We have been fortunate in having in the country a large number of professional seamen, men who manned our fishing fleets and our mercantile marine, on our great rivers and lakes, and on both oceans. Many of these men have found their way into the navy, and have been of invaluable assistance. But in spite of that, and desirable as that accretion to our strength has been, we have had to rely for our personnel mainly on men who have had no great amount of training in ships. The bulk of our personnel has come from the civilian population—from the clerks, the labourers, the doctors, the lawyers and business men of our cities, towns, villages and hamlets. But just as the Canadian army in the last war was made up largely of this sort of men, and just as that army acquitted itself with such gallantry on the battlefields of Europe, so, I am sure, will the Canadian navy, recruited in much the same manner, continue to prove worthy of itself and of Canada.

Perhaps I should say a word to the committee about naval training. The training of naval ratings, the men on the lower decks, in the ranks, is begun ordinarily at one or other of our eighteen volunteer reserve divisions. At these divisions the rating receives preliminary disciplinary training for a period of about eight weeks. He is then transferred from the division to a coastal area, either on the east or west coast, and he receives there what is called "new entry training." This training lasts for a period of ten weeks. Following this he is drafted to sea. After he has his sea legs he may be brought ashore for more highly specialized training, such as training in gunnery, torpedo work, wireless or anti-submarine work. I may say that every effort is put forth by our officers and petty officers to place technical and skilled men at the kind of work where their qualifications will produce the best results. So much for the training of ratings.

Now to the training of officers. This is usually undertaken in the first instance at one of the volunteer reserve divisions. The prospective officer attaches himself to one or other of these divisions, and undergoes a certain amount of training there. In due course he will be interviewed by a selection board of naval officers who decide whether or not he is likely to become an efficient naval officer. If the decision is yes, he is then called to an officers' training establishment at Esquimalt or Halifax, where he is given a four months' course. During that time he is known as a probationary sub-lieutenant. If he is successful in his course he drops the term "probationary" and becomes a sub-lieutenant, and is assigned to duty either on a ship or in some shore establishment.

I believe the committee will be glad to know —and it is indicative of the very high calibre of the men we have been able to attract to the ranks of the naval service—that no fewer than 512 of the men who entered as ratings, in the ranks, have been promoted to officer ranks since the beginning of the war. Officers in command of ships, and all others charged with the supervision of men, are constantly on the alert to discover among those under their command those qualities of initiative, courage, leadership and resourcefulness necessary for good officer material. There is no bar to advancement in the navy, except the bar of inefficiency.

There are one or two further matters in connection with training which I shall mention. In addition to the training we undertake ourselves directly, in the divisions and at the posts, we have also taken advantage of various training schemes arranged throughout the country to qualify young men in the mechanical trades. The navy has now some 700 young men who have entered upon courses which will last for approximately three years, and which will qualify them for positions as artificers skilled in engine room, electrical and other types of mechanical work. These young men begin the course at about the age of seventeen years; and in due time they will form a reservoir of well-trained, technical men who will be available for the naval service.

In this connection I would point out that several universities across the country have helped us greatly by training naval technicians, particularly in radio and anti-submarine work. With the development of scientific warfare, and with the increasing complexity of its instruments, technical training has become increasingly important. It has been said, and said truly, that a ship to-day is not only a ship; it is an arsenal and a floating machine shop as well.

We require skilled mechanics on ships. We also require skilled mechanics in naval dock yards for the purpose of repairing the ships.

I am sure I need not emphasize the importance of prompt and efficient repair work. A fighting ship is of no value whatever tied to a dock. If she is damaged she must be repaired as quickly as possible and made ready for sea again. Some of this work of course can be done in private yards; but the naval dock yards must be prepared to do their full share. With that in view it may be necessary to increase the establishment at these dock yards.

Not only do we have to consider repairs in our yards, but we have to take account of new inventions which seek to counteract or to anticipate the tactics of our enemies. We have to incorporate these in our ships from time to time, if the ships and their crews are not to be placed at a serious disadvantage. I am happy to say that so far as repairs to ships are concerned, the work carried on in Canadian yards is done in approximately the same time and with the same skill as is shown in the yards of the United States and the United Kingdom.

A new type of service on which the navy is about to embark is to be provided by the women's corps. Like the army and the air force, the naval service feels that there are many posts and positions now being filled by men which could be filled equally well by women, and that immediately new posts arise, they should be filled by women. Accordingly, we propose to establish a women's branch of the service similar to the Women's Royal Naval Service, or "Wrens", as they are called in Great Britain. Some leading members of the British women's service will arrive shortly in Canada to assist in the organization of the branch here. When the organization is fully under way it is expected that several thousand Canadian women will be incorporated into the new branch.

Mr. HANSON (York-Sunbury): What do you propose to use them for?

Mr. MACDONALD (Kingston City): There is a great variety of work that they can do, such as clerical work, decoding, deciphering, car driving, and possibly messenger work.

Mr. HANSON (York-Sunbury): Administrative work.

Mr. MACDONALD (Kingston City): Administrative work and the like. I should like to say that there are women's auxiliaries which in many cases have attached themselves to branches of the naval volunteer reserve divisions throughout the country. These have done a fine work, all voluntary of course, in providing comforts in the way of clothing, reading matter and the like for men at sea. What these women from one end of Canada to the other have done is fully appreciated by the men who have to brave the rigours of the north Atlantic winter. I know they will always remember with profound gratitude the interest and the support of these women's auxiliaries.

Another organization to which I should like to refer is the Navy League of Canada, whose work, particularly on behalf of merchant seamen, has been of great importance and great value. These men are out in all kinds of weather and in all seasons, in the cold of winter and in the heat of summer; their calling is dangerous enough in peace time, but is trebly dangerous now, and anything that can be done for them is well deserved. The navy league has given particular attention to these gallant merchant seamen. It has built hostels in coastal ports and in ports on the St. Lawrence river; it has provided clothing and other comforts for men in many parts of Canada, not only for Canadian merchant seamen, but the seamen of our allied friends as well. The navy league has always taken a special interest in the sea cadets. Last summer the Canadian navy decided to assume fuller responsibility for the sea cadets, and we secured the services of Mr. R. C. Stevenson of Montreal to act as coordinator of sea cadet activities. He is responsible to the Department of National Defence for Naval Services, but he works in close association with the navy league. I may say that there are now 2,700 sea cadets in Canada who range in age from twelve to eighteen years. By the end of the present fiscal year we hope that that number will be increased to some 8,000. We have found from experience that many young men who have had training as sea cadets have been able to shorten considerably the training time ordinarily consumed by new entries into the navy. Many of our best officers and ratings have had training with the sea cadet corps.

One word about the medical services of the navy. I may say to the committee that we now have 170 doctors and some 40 nurses in the Royal Canadian Navy. Forty doctors are with the Royal Navy, so that the total number administering to our own personnel is 130 doctors. I am glad to be able to say that the health of the navy is good. In 300,000 hospital days there have been 23 deaths from illness. Recruits for the navy show a high standard of health; for only 10·3 per cent of those who apply for enlistment have had to be rejected, and after enlistment only about 3 per cent of the personnel have had to be discharged on medical grounds.

The naval service also carries on very extensive research work, some of it under the direction of eminent medical men in this country. Among these I might mention Doctor C. H. Best of Toronto, whose research work with Doctor Banting in the field of insulin brought him international fame. He is now a naval officer, and he and many others are giving their attention to the study of diets on board ship and on shore, even to the study of seasickness, to the study of conditions which affect the eyesight of men, to the problem of the fatigue among technical operators, to the effect of noise on men's nerves and the possibility of eliminating it, and so on.

I think the committee knows in a general way what the duties of the Royal Canadian Navy are. I have often said that they are threefold. In the first place, they guard the coasts of Canada; in the second place, they escort convoys across the seas, and, in the third place, they take aggressive action against the enemy whenever possible. All these three functions very often merge one into the other. For example, if a Canadian vessel is escorting a convoy across the Atlantic and attacks and destroys a German submarine on the way, she is discharging all three functions at once. She is, of course, escorting and protecting her convoy, she is guarding the coasts of Canada by destroying an enemy vessel, and she is also taking aggressive action against the enemy. I think it would be correct to say that up to the present the task of convoying ships has been the main task of the Canadian navy. In a war of this kind the convoying of ships is a matter of the greatest importance. The task of carrying food and other supplies from Canada across the seas falls to the merchant navies of the united nations, and the task of escorting those merchant ships falls to the battle craft of the United Kingdom, the United States and Canada.

Our navy, consisting of a goodly number of small craft such as destroyers and corvettes, is peculiarly suited to the task of convoying. That was the work which we were asked to undertake at the beginning of the war; that was the work that lay nearest to our hand and that is the work we have continued to do for the past two and one-half years. How important that work is to the success of the common cause will appear readily when I say that since the beginning of this war more than 56 million tons of cargo have been carried from these shores across the Atlantic, and that more than 9,000 ships have been convoyed over those waters. I exclude from those figures, of course, troop convoys which have also left our shores and which have had gratifying good luck in their voyages. The work of the convoy has all the dangers of sea warfare—the submarine, the mine, the surface raider, the enemy aircraft—in addition to ordinary perils of waters. All these dangers have to be braved to-day by the men who go down to the sea in ships, and more than five hundred members of the Royal Canadian Navy have given their lives since the outbreak of the war. Seventy-two honours and decorations have been awarded to our personnel.

A word as to our plans for the future of the navy. In the present fiscal year we hope to enlarge our personnel by some 13,000 officers and men. In other words, I hope that by March 31, 1943, the Canadian navy will have a strength of about 44,000, and in the same time I hope we can add not far from 100 ships to our fleet.

Another thing I should mention is the opening of the naval college at Esquimalt, on the west coast of Canada, in September or October of this year. I think everyone will now agree that the closing of the old naval college which was first established at Halifax in 1910 was a most unfortunate occurrence. I have already told the committee something of the difficulty that we experience in providing trained officers and petty officers, and this difficulty has been greatly aggravated by the fact that since 1923 no naval college has existed in this country. It is my fervent hope that this naval college, once established, will be continued forever and will become a training ground for men seeking to adopt naval life as a profession, whether as officers of the Canadian navy or in the mercantile marine. I hope also that after this war Canada will resume and even enhance her position as one of the great trading nations of the world, sending her goods to all parts of the world; and if that is to be so, we must have in this country an establishment wherein men to man Canadian ships can be fully trained.

It is only thirty-two years since the foundations of the Canadian navy were laid. Indeed, many of the men who were Canada's first naval cadets and recruits are still on active service. It is a new navy; in comparison to the sea forces of other great nations it must be called a small navy; but it is shaping its own traditions of valour and service, and it draws much of its inspiration from the Royal Navy itself.

I wonder if there is in any country a fighting service that has had so long, so important and so glorious a place in that country's history as the British navy. Its record goes

back almost to the beginnings of the nation; for the people of Britain realized early that a strong navy was absolutely essential to the defence of their island. The pageant of British naval achievement is great and colourful, and in it at one time or another are to be found some of the great names of England. Drake the Devon man, is there, and Hawkins and Howard and Blake, and Sir Richard Grenville of the *Revenge*, and Rooke and Rodney and Frobisher and Raleigh and Collingwood; and above them all the towering figure of Nelson himself. They are joined in this war by a great and goodly company: by the men of Montevideo, by the naval heroes of Narvik, by the gallant Captain Fogarty Fegen, of the *Jervis Bay*, going to certain death to protect his convoy; by those men who stayed in their ships off the coast of Crete under terrible naval and air attack and who, suffering grievously as they were, nevertheless made good their promise that no German troops would be landed on that island by sea. They are joined by the men who fought against overwhelming odds in Malaya and at other points in the far east; by the men of Dunkirk, where the seamen of England, the fighting ships of England, the merchant ships, the yachts, the tugs, and the motor boats rescued 335,000 troops from irreparable disaster. It has been well said of the British navy by a Britisher:

> Theirs is a great imperial service, a service whose tradition is silence, whose devotion to duty is as unobtrusive as it is instinctive, the graves of whose heroes are recorded neither in brass nor in stone, for they lie in every latitude, in the fathomless depths of the unplumbed, salt, estranging sea.

It is with that service, Mr. Chairman and hon. members of the committee, that the young Canadian navy has the honour to be associated. It is in that service that many of our officers and men have been trained. It is the traditions of that service that we take as our own.

There are some, I know, in the world to-day who look back into history and who raise their eyes from the record to tell a dismal tale of Britain's mistakes and England's misdeeds in the past. Let us admit that she has made mistakes, as what nation has not? What shield is without its shadow? But for my part, as I have said elsewhere, admitting errors and recognizing faults, I take my stand on the words of a Greek statesman, spoken twenty-five centuries ago, "For even when life's previous record shows faults and failures, it is just to weigh the last brave hour of devotion against them all." And against all the mistakes, all the injustices, all the faults of their country's past, I set the heroic stand of the British people in these times, their stand for world freedom, justice, order and decency, and I await with complete confidence the tilt of the scale. The main burden of enemy attack has been borne by the island of Britain for two and a half years. For two and a half years she has had to experience the most ruthless sort of warfare. Her lanes of commerce have been savagely attacked. Her cities and her countryside have been blackened by enemy bombs. Her people, young and old, have experienced the full force and horror of war. Yet she bears herself gallantly, this nursery of freedom, this mother of democracy. She draws on her deep reservoirs of courage and tradition. She kindles the imagination of the present with the torch of the past. She appeals not in vain to the great exploits of other days and her seamen remember the tradition of Drake. Drake dying ordered his drum to be taken to England, declaring that if ever the country stood in dire peril they should beat it and he would come back from his grave.

> Take my drum to England, hang it by the shore,
> Strike it when your powder's runnin' low.
> If the Dons sight Devon, I'll quit the port o' Heaven,
> An' drum them up the Channel as we drummed them long ago.

In that setting, Mr. Chairman, in that background, the Royal Canadian Navy proceeds to its task and moves forward to its destiny.

Mr. STIRLING: I feel sure that the members of the committee have listened with deep attention and very great interest to the account which the Minister of National Defence for Naval Services has given of the affairs of his department. He has touched on the very close association which exists between the Royal Canadian Navy and the Royal Navy. He has referred to the fact that the Royal Canadian Navy draws its officers and men from all the provinces of Canada through certain channels, and it has always appeared to me that we must never omit the expression of gratitude to those who in the earlier days of the Royal Canadian Navy laid plans so well that those plans have been successful in doing exactly what they were intended to do.

I do not go back to the years before the great war. Canada has a naval history beginning then. I refer rather to what happened after the great war, after Canadians of all ages and ranks had served with the Royal Navy for the common purpose. After the great war, when we were settling down into a period of idealism, when we were wading through idealism, and setting up for ourselves ideals that unfortunately have not been attained, plans were laid to maintain

a navy for Canada. It was realized that the way which it might be possible to follow would be to create and to maintain a small permanent force, and it has only been with great difficulty on many occasions that that little Canadian navy has been preserved. For again and again, through those years of peace, there were those in this house and in the public press who endeavoured to belittle the efforts which went to maintain the Royal Canadian Navy. Still it survived, because fortunately successive governments realized that it would not be reasonable to destroy that little naval germ which had been established with so much difficulty in Canada.

That was what one might call the first part of the plan. The second part was to make arrangements for the provision and then the training of those who should enter the Canadian navy. That was a twofold effort: the Royal Canadian Volunteer Reserve, to which the minister has alluded, and the Royal Canadian Naval Reserve, to which he has also referred, explaining that it was formed from those whose work takes them on the sea in the ordinary way in the merchant navy.

I think it is a remarkable thing that the Royal Canadian Naval Reserve, created at a time when Commodore Hose, now Admiral, was chief of the naval staff, and created so that there should be representatives of it in all the provinces of Canada, should have been so successful in retaining the interests of Canadians. For although two of the provinces do not touch salt water, and three others touch it but very little, yet we find that through the interest and the call of the navy, the attraction, history, whatever may be the reason, through all these the Royal Canadian naval volunteer reserves have been successful in keeping up the stream when the pressure of war has come, so that to-day the minister is able, in the third year of the war, to describe the extraordinary increase both in numbers and in tonnage in what was once this little naval germ in Canada.

Of course, the retention of the permanent force, small though it was, was only possible because of the training which was available to our young officers and petty officers in their close connection with the Royal Navy. Our cadets, our midshipmen and sublieutenants took their early training in the Royal Navy. Our vessels were not numerous enough or large enough to give them experience. It was necessary for them to be with the Royal Navy. Ever since the creation of the Royal Canadian Navy these junior officers have gone to the Royal Navy and received the training, yes, and the traditions, beaten deep into them from association with the Royal Navy. Our gunners, our torpedo men, our signallers and petty officers have gone there and received instruction and they with our young officers on their return have imparted that instruction and assisted in the training of what has now grown to the very considerable naval effort of Canada.

I should like the minister to give us a great deal of information in expansion of the bare outline which he did give. I think, if I may say so, he did wisely in touching on a good number of points connected with the navy, but perhaps we had better take them one by one. He might deal with two or three that occur to my mind on which I think we should like to have some information. In the first place the estimated figure for this financial year, is, I believe, $259,000,000. I believe that is $120,000,000 greater than the corresponding figure for last year. Last year the minister divided that into a considerable number of headings. We should like him on this occasion also to divide the amount up, indicating as he goes where the principal increases have gone.

Then with regard to training, the references which he made in his speech appeared to me to cover principally the training which is afforded to the officers and men of the volunteer reserve. I should like also to know what the state of the Royal Canadian Navy entry is. So far as I am aware we are still receiving boy entry and we are still receiving cadet entry both for executive and for pay. I should like him to tell us whether the routine of peace days has in any way been departed from in the training which they receive. For instance, do our cadets go over and receive similar cruiser training to that which they received when the *Frobisher* was the training cruiser?

With regard to the training of the Royal Canadian Naval Volunteer Reserve, the minister referred to the first lot of training and the second lot of training which took place at the sea coasts. I should like him to amplify that and give us detailed description of the training establishments which must of necessity have been set up on both coasts to provide for that training; and also to tell us, on the question of training, with regard to those who enter from the Royal Canadian Naval Reserve, the merchant service and the fishing boats, whether those officers and men also receive refresher courses before they go to sea in the corvettes and the like.

Mr. COLDWELL: We have listened to an interesting outline this afternoon, similar in some respects to the information which was given us on another occasion. I am sure

every hon. member of this house feels a debt of gratitude to the men who are serving in the navy and in the merchant marine, and anyone who speaks at this time, as the minister did himself and the hon. member for Yale a few moments ago, cannot but appreciate the tremendous place which the navy holds in the minds of all our people and the task which it performs in the great struggle in which we are now engaged.

I was interested in hearing the minister recite "Drake's Drum"; for as a boy I was brought up in the district in which that legend originated, in the land of the men to whom he has referred, the men of Devon; great as are the traditions of the navy, those who at this time are engaged in convoying or in operating the merchant ships are perhaps engaged in an even more difficult and dangerous task than that of the men of ancient times who sailed the oceans and brought their ships in safety to the shores of new distant continents.

The hon. member for Yale was asking some questions about training and the establishments that have been set up for training the personnel of the Royal Canadian Navy. I have no doubt the minister will give those answers in a little while. It is interesting to note that many of the men who have joined the navy in recent months came from the prairies, from regions where there is little water, and many a young naval lad's first sight of the sea was the day he began to take training at one of the coasts or on a ship. That they have made good seamen goes without comment, because we have heard it on every hand. When we were in Great Britain we met at Portsmouth some of our Canadian boys who were serving in the Royal Navy, and had an opportunity of chatting with them about their experiences. I wish to take this opportunity, when discussing the personnel of the navy and their training, to express the hope—I am not the first to raise the question; it has been brought up by other hon. members on both sides of the house—that the pay and particularly the allowances to the dependents of our naval men will be increased. Only at noon to-day the wife of an officer who is looking after wives of men who are serving, not in the navy but in the air force, was telling me of the really deplorable conditions under which some of the wives and families of our naval men are living in Montreal and in other Canadian ports. It is a blot upon this country that the allowances to the men engaged in such a difficult and dangerous task are so much less than those given to men in the army or the air force. I would not of course have it understood that I think the allowances made to the dependents of men who serve in the army and the air force are at all adequate in these days of increased costs of living. That they are inadequate serves only to emphasize the point I am making, that the wife of a man serving in the navy, and receiving $15 a month less than the wife of a man serving in the army or the air force, has to live upon a standard that is impossibly low at any time but more particularly in these days of high prices.

I am glad to know that the number of our ships is being increased so rapidly. I realize of course that many of them are small ships. I recall that before the war broke out our friend and colleague at that time, Mr. Grant MacNeil, then the member for Vancouver North, often spoke in this house on the necessity of obtaining fast small boats for coastal patrol work. That policy is being carried out to a degree to-day. And if I may say so, the very fact that we are building many corvettes and many smaller boats and that we have so many of our young men serving in these small ships, is another reason why we should give every consideration to the conditions ashore under which the men and their families live. Those of us who have been on mine-sweepers, or corvettes know very well that the quarters are cramped; the ships are small, and on the stormy Atlantic to live on one of those boats must be indeed uncomfortable to say the least. Everything this house and the government can do to make conditions as favourable as possible for the men who go down to the sea in ships, both of the Royal Canadian Navy and the merchant service, ought to be done. I was brought up by the sea, and have often seen the ships of the Royal Navy anchored in the bay. In Canada I have seen our ships at Halifax in winter time. I realize that difficult and, in bad weather, dirty as the job was along the coasts of Britain, and particularly along the shores of the English channel, it was not comparable to the difficulties and discomforts which the men of our Atlantic coast, in particular, have to undergo. When I saw ships coming into Halifax almost encased in ice I marvelled at the courage and fortitude of the men who had to withstand not only the mighty waves of the ocean but the frigid cold of winter on the Atlantic coast. And when we think that during the past few months they have helped to convoy hundreds of thousands of tons of shipping and supplies across the sea, not only to the beleagured island of Britain but also to our allies in Russia, to our troops in Africa and now across the Pacific ocean, facing not only the dangers of the weather but also torpedoes, bombings from

the air and every devilish device which the ingenuity of man has brought to bear in this great war, we cannot but marvel at their courage. So I say that anything we can do to improve conditions for the men while they are at sea, to provide proper recreational facilities for them when they come ashore in the great ports, and to provide adequately for their families, should be done. I am not going to repeat what I have said so often about Halifax, but we should see that the wives and families of these men are properly housed and provided for.

The matter of housing accommodation is one into which I think the department should look very carefully, and which I think should be strictly supervised by the rent control authorities. I refer to the rent that has to be paid by these seamen—yes, and this applies to the air force and to the men in the army, to some extent—who from time to time have to move with their families from place to place, who have to find new quarters and who therefore are not always protected by the rent restrictions which protect those of us who have been located in the one place for the past two or three years. We should see that these men are not victimized through being charged high rents in the various cities and ports to which they have to move.

As this discussion proceeds I have no doubt that the minister will be asked a great many questions with regard to our ships and our men, and as to the conditions under which those ships operate and the men serve. I do not propose to ask any questions now, but we as a group have some questions in mind which my colleagues and I will be asking as the question period progresses. However, I do want to take this first opportunity of urging upon the government the necessity of seeing to it that these men are remunerated—not properly, because money cannot properly remunerate them—to an extent more nearly commensurate with their services, and that at least their wives and dependents are protected to a far greater degree than they are at present. The other afternoon I said something about the delinquency in Toronto among the children of men overseas and women working in factories. I understand that the same condition exists in Montreal and other seaport and industrial cities. As I said then, each of our defence departments should see to it that the government and the treasury board are made aware of the requirements, so that a suitable appropriation may be made in order that the children of the men and women who serve may be well looked after by the communities in which they live. That will require federal grants and appropriations.

We may be proud of the part that has been played already by the small Royal Canadian Navy, which is expanding month by month. I think we owe a debt, as a parliament and as a nation, to the men who are serving us in many capacities in that navy and in the merchant service of our own and the allied countries.

Mr. BLACKMORE: Mr. Chairman, since the beginning of this war I have derived a great deal of satisfaction from the fact that this country has given so much attention to the navy, and has recognized the necessity for increasing it. I can remember as a small boy wondering why Canada, with the resources which should enable her to build a great navy, should limp along so helplessly in this regard in the great British commonwealth of nations. The history of the British empire and the British people has been intimately and inextricably bound up with the sea, with ships. For over a thousand years the Britishh navy has been supreme, until it has become a tradition, almost an instinct, on the part of British people to expect that their fleet should be able to conquer any other fleet or any combination of other fleets that might be brought against it. Why Canada did not build a powerful and efficient supplement to the British navy, I never could make out.

I welcome the report of the minister indicating that our navy is expanding. There is quite a tendency on the part of many people to believe that when this war is over we are going to emerge automatically into a new order in which we no longer will be called upon to defend ourselves. Judged by all history and all common sense, Mr. Chairman, ideas of that sort are utter nonsense. We should build permanently, build deep and strong, and build for the future. Perhaps men will be able to organize a giant, super-world-state under the canopy or wings of which all nations may be able to rest quiescent, but I see no evidence of it. I should say the first thing for us to do is to be strong. If a great super-state should be built up willing and able to guard the peace and safety of the world, that will be the time to relax our efforts toward making ourselves secure, but certainly we should not do so before such a state has been evolved. We are going, I fancy, into an era of great tribulation. Probably the most war-like time in all the world's history stretches before us within the next generation. I believe the minister and his department should have this in mind, so that they may not build temporarily. They ought not to cease to build when the war is over, but should prepare themselves for an era of perhaps fifty years during every one of which

the ships of Canada and the men of Canada shall be ready and able to go forth upon the seas and meet any enemy which may come.

There will be those who will wonder how Canada could sustain such a programme financially. With that aspect of the question I am not going to deal, except briefly to point out, as has been stated many times already, that what is physically possible can be made financially possible. The number of ships Canada can build and man will depend upon the iron, coal, timber and other necessities for the building of ships which can be found in Canada. It will depend, too, upon the number of men and factories which can be found to build the ships, and the number of men who can man the ships. Let us adopt a progressive policy, one which values children; and I think we shall have no difficulty in raising sufficient Canadians through the years to come, to man and to build as large ships and as many ships as we need.

I should like to add my voice to those who have contended that better pay should be given to those in the navy. We should make the navy attractive not only romantically but economically. I feel that the men who join our forces, whether the army, the navy or the air force, should move among us as select men, as the elite. I see no reason why they should be paid an income so small that they are fearful of the future or, shall I say, hesitant about living generously in the present. I believe it is possible for Canada to provide all her fighting men with all the needs of life, not only while the war endures, but just as long after the war as they shall live.

It is a most shortsighted and destructive policy on our part to neglect the possibilities of the children of our fighting forces. There is no reason why there should not be a good family for every man in the fighting forces, and no reason why anyone should hesitate to marry and to rear children because of financial circumstances and anxieties. We would all grant that those who join the fighting forces are the noblest among us. They are strong; they are courageous; they are healthy. Surely they should be the parents of the generation to come. I would urge upon the minister that he do everything in his power to make it possible for every one of the men under his direction to have a good home, a good family and complete confidence in his economic future.

Mr. ROSS (St. Paul's): Mr. Chairman, I shall have a number of questions to ask as the debate proceeds, but I rise at the present time with only one purpose in view. In the gallery to-day sits the father of one of those fine boys on H.M.S. *Dorsetshire* of the Royal Navy. I do not mind giving the boy's name. It is Lieutenant-Commander Ross Wilson, and his father is Mr. Leslie Wilson. His mother, whose maiden name is Mabel Ross, I have known ever since I was in the kindergarten. She is the daughter of Sir George Ross. His grandfather, Sir George Ross, was one of our greatest Canadians. Although he was on the opposite side of politics from me, I had known him many years, and he was always a great friend of mine.

I speak about Ross Wilson for only one purpose, and that is because he exemplifies to my mind the boys of this country who are serving Canada, and who have been educated at such schools as Upper Canada college, St. Andrew's, Trinity college, Ridley college, Bishop's college school, Lennoxville, Que., Appleby college, Pickering college, or in the collegiate institutes of Ontario. I cannot say enough about the fine performance he has given.

I should also like to point out that a great deal of credit is due to yacht clubs of one kind or another, which have offered opportunities for these young lads to gain experience on the water. I should like to pay a tribute to my own yacht club, the Royal Canadian Yacht Club of Toronto. And while on my feet may I pay a further tribute to my grandfather, George Gooderham, and to my uncle George H. Gooderham, for all they have done for the yachting activities of this country. I believe I am justified in taking this opportunity to pay tribute to these men who have done so much toward manning our Royal Canadian Navy, and I know the minister will agree with my observations in that regard.

There are other matters I should like to discuss. I have taken up some of them privately with the minister, and to some of my inquiries I have not received answers. With respect to those I shall question the minister in committee.

I should like to close my observations by quoting some verses which all Canadians should know—I believe all do know them. These verses really do not mean only England. They go much deeper than that; they include Canada, our way of life and everything it exemplifies. These are the verses:

When Britain first, at Heaven's command,
Arose from out the azure main,
This was the charter of the land,
And guardian angels sung the strain:
Rule, Britannia, rule the waves,
Britons never will be slaves.

"Britons" means us; it means all we stand for in Canada; it means French-Canadians and German-Canadians and it means magna charta. And one more verse:

Thee haughty tyrants ne'er shall tame;
All their attempts to bend thee down
Will but arouse thy generous flame,
But work their woe, and thy renown.
Rule, Britannia, rule the waves,
Britons never will be slaves.

Mr. MacNICOL: Mr. Chairman, as honorary president of the Navy League of Canada, Ontario division, I would be derelict in my duty on behalf of that body if I were not to rise at the earliest opportunity and thank the minister for his very kind references to the work that has been and is being done by that organization. I do so with very great pleasure. What has amazed me since Canada first began to take part in this sea warfare has been the record of the achievements of our various ships. They have done splendidly even though they are not large. Our men have given evidence of being as brave and of possessing as much fortitude as the men in any other fleet. On reading the names of those who have suffered or who have been lost, I have been amazed to see the number who came from the provinces remote from the sea, especially the western provinces of Manitoba, Saskatchewan and Alberta. Later when the minister is ready to give us some figures I should like to have the number who have enlisted from each province. All reports about fighting on the sea have recorded the conspicuous gallantry of these young men. We should expect of those who were born near the sea a love of the sea and a willingness to render excellent sea service, but the record has been the same of those who come from my own province of Ontario and from Manitoba, Saskatchewan and Alberta. It gives a clear indication and example that fortitude and strength and heroism are not confined only to people living close to the sea.

Like others who have spoken, I have been pleased with the expansion in our naval forces as outlined by the minister. In this connection I was glad to hear what the minister said about the personnel of our ships. As he said, there is no use in having ships unless we have the personnel to man them. I believe I first became associated with the navy league in 1917, the year it was founded. A famous man from Portsmouth, one of the great union heads, came here; I believe his name was Peter Wright. He had performed a great work in keeping up the morale of the people in the old country, and he brought with him the same high spirit. I met him on several occasions and I was always thrilled by his bravery.

The navy league has done a splendid work. There are sea cadet corps right across Canada, commencing in Vancouver, then Calgary, Regina and a most excellent corps in Winnipeg. In its day, if it was not the strongest numerically it was certainly one of the best trained corps in Canada. At the head of the lakes there were corps at Fort William and Sault Ste. Marie. Then there was an outstanding and very strong corps at Toronto. This was the headquarters for Ontario as well as the principal branch of the Navy League of Canada. In Ontario there were corps at Welland, London, Kingston, and Ottawa, as well as at Montreal, Quebec, Saint John, New Brunswick, and Charlottetown, Prince Edward Island. There was also an excellent organization at Halifax.

I often think of the splendid men and women who gave their time freely to this work. The women tried to make things comfortable for the boys around headquarters and in the different towns and cities. They provided comforts of one kind and another and occasionally a dinner to encourage the young lads. I think of the men who trained them. The amazing thing to me is that there were so many men who were willing to give of their time and means, particularly of their time, in training these young lads in the way they should go. In years gone by when the present Minister of Pensions and National Health, at that time minister of defence, would bring down the estimates for cadet training I never failed to support them. It always surprised me that there were members in this house who bitterly opposed voting money for this most laudable work of training young men. Cadet training taught them to be civil, to be courteous, to be manly, to do the very things that are so much required to-day by young men in our navy. I thank the minister sincerely for his kindly remarks about the Navy League of Canada and for his support of the league since he became minister.

It may be a little early to suggest it, but I do suggest to the minister that some plan be initiated by the department of naval services to provide some means of living or some plan of living after the war for the thousands of men now in the naval service. The minister has told us that there are some 33,000 in the service, with the number constantly increasing until we may reach perhaps 40,000 or 50,000. Many of these young men never worked at anything else in their lifetime; their only training has been in the naval service. Many of them came from the farms of the west or Ontario, and when they leave the service they will know nothing about the problems of life outside the service. I hope the minister will start now to consider

some plan under which thousands of these fine naval personnel can be placed in permanent positions after the war.

After the last war I went to England as a member of a delegation to interview Lord Jellicoe, who at that time was head of the colonization service, if not of all England in any event of the Anglican church. I was greatly interested in the keen grasp that that great man had of the need of doing something for the thousands of men who had served under him at Jutland and under other admirals during the great war. As a result of that meeting the navy league was successful in placing here in Canada several thousands of those wonderful men; I have just forgotten the exact number. Many of them were placed on farms, and at that time the navy league made it its business to keep in contact with the men who had been placed as a result of the work of Lord Jellicoe and his committee. On many occasions it was my great delight to visit some of these families and observe how they were getting along. They made good. That type of man could not do anything else but make good. I hope the minister will proceed at once to initiate some plan to take care of the personnel of the Canadian navy after the war.

I can remember the bitter debate that took place in this house at the time the naval college was closed. I hope that never again will this parliament have to listen to such tirades as were delivered on that occasion against the men who were interested in maintaining the strength of this empire. I do not blame only those who were in the house at that time; I blame also the pacifists outside the house. Any man who advocated a vote for the sea cadets or for the maintenance of our military institutions was branded a warmonger. I am glad to say that that is all past. Nobody to-day would have the unfairness to charge supporters of the maintenance of our defence institutions with war-mongering. But, Mr. Chairman, this empire would not be in the difficulty it is in to-day, and many thousands of the gallant men of our empire would not now lie dead in Malaya, in the oceans and elsewhere had not dear old England too succumbed to much the same kind of pacifist talk that we in this House of Commons had to endure, and that had such an effect on the estimates of the then Minister of National Defence, now the Minister of Pensions and National Health. I was always glad to support him against such attacks, and on many occasions urged him to increase the grants for cadet training. It is too bad that that was not done.

May I now pay a tribute to another part of the group which constitutes our naval strength; I refer to the men back in the factories—workmen, designers, draftsmen, machinists, riveters, and those who organized the plants for the building of ships. On many occasions in past years I have heard those who operate these plants denounced in this chamber as being everything they should not be. Yet I do not know what this country or Great Britain would do to-day without the men who in years gone by erected plants and factories and organized their businesses to produce what we are making to-day. Reflect on what this country has done since the war broke out. It is a matter for wonder what the artisans in our factories and the men who operate the factories have done. As the minister has said, they have increased the number of Canadian ships from 15 in 1939 to over 400 at the present time. This result reflects great credit on all Canadians engaged in the making and operating of ships; I might even add that it is creditable to the humble man on the street whom we hear calling "Rags, bones, scrap iron", men who gather waste materials. Scrap iron is cutting a big figure in this war. It is by far the most important part of the iron used in steel plate. The men who are working down the iron mines are doing a wonderful job; my heart warms to them, because many a time I have been in the iron mines, and I know they deserve great praise. But without scrap iron it would be difficult to turn out steel with the rapidity with which it is being produced to-day.

Mr. REID: It is almost impossible to carry on without scrap iron.

Mr. MacNICOL: That is true. Those who have knowledge of the achievements of engine factories, without whose product, of course, our ships could not operate, must be proud of what Canadian plants are doing. The Canadian Allis-Chalmers company, a tremendously large concern with branches in several cities of the dominion, has a very large plant located partly in my own riding and partly in that of the hon. member for High Park. It is currently turning out the 1,200 horse-power engines, one each week, which are required to propel corvettes. I am happy to salute with all my heart the men engaged in producing engines in Canada, from the lowliest worker in these great plants to the men in the highest positions. I am happy to say further, from my close connection with many plants, that the majority of the head men in these large institutions came right up from the humblest ranks in the plant. That is a great tribute to the opportunities given to the Canadian worker to advance and the advantage he takes of those opportunities.

I would not omit a reference to the men in the mines of Quebec—at Asbestos, I believe. What could we do without the men who produce the asbestos which not only covers pipes but provides material for the apparel which sailors to-day have to wear to withstand the flames of bombs if they should be unfortunate enough to be on a ship on which bombs fall. The asbestos miner deserves credit too.

Ours is a great country. Every Canadian may well be proud not only of those who man the ships but of those who make the ships.

The minister could, I know, have gone much further than he did in telling of what has been achieved. In making his statement he displayed an eloquence which few men possess, and a power of expression which carries conviction. He could have told us much more about what our men are doing; but, having done it before, I assume he thought it unnecessary to say more about their work in the guarding of convoys, in which I believe that five hundred lost their lives—heroes, every one of them.

Some days ago I went to offer my sympathy to the mother of a young man who lost his life in the sinking of the *Spikenard,* one of our ships from which, I believe, only seven were saved. It would thrill anyone to talk to a heroine like that lady. Her courage, her realization that her boy had made the supreme sacrifice for the maintenance of this empire, exemplifies the spirit which will save the empire. I am one of those who believe that we shall win the war in spite of everything, because our people continue to display the courage which their forefathers have shown down through the ages. I read this boy's last letter to his mother, written from England. It was a fine letter, indicative of the kind of bringing up he had had. His mother's words were always in his mind. It mattered not to him what might happen; he was serving, he believed, in the highest cause to which a man could devote himself. His chum, I believe one of the seven who were saved, later sent a cablegram which showed the unflinching spirit of the boys on the ship. It was addressed to this heroic mother, formerly Mrs. Walker, now Mrs. T. W. Cartmill, living at 117 Lappin Avenue, Toronto, and it read:

Regret Sammy went down with his ship.

Sammy Walker was his name. Well, that is a British tradition, to go down with the ship. That is what Admiral Tom Phillips did on the *Prince of Wales* out there east of Malaya. It is a British tradition, to go down with the ship and not to run away from it—fighting with the ship to the last, and then, if necessary, going down with it. That is the British spirit.

I might add one word to what the hon. member for Rosetown-Biggar (Mr. Coldwell) said in reference to pay and allowances, because from Toronto quite a number of men have enlisted in the navy and many times men have come to me asking why their pay and allowances are not the same as the pay and allowances in the army. I do not know what the rates are, so I cannot speak from knowledge of any comparison, but if they are not paid on equal terms I know the minister will do anything that is necessary to improve the situation.

There was another matter that came to my attention. I am not sure of the facts, but my memory is that if the commander of a ship in Halifax, say, was moved to Victoria he would have to pay his own way out. The minister shakes his head. I am glad to know that has been changed, because that would be manifestly unfair.

And now a last word with regard to recreation on shore. The minister knows there is a bit of conflict going on in Halifax in connection with some club. I am not familiar with the particulars, but I believe, as I think the minister does—and every other hon. member believes it too—that the finest and most comfortable places should be provided for men when they come ashore from their ships. While I am not a drinking man myself—I have never tasted liquor, so that it means nothing to me personally—I realize that many of these men do like a glass of liquor or a glass of beer. It is their business whether they take it or not, and all I say is this. I ask the minister to make certain that where any sailor returns to shore and wants a glass of beer, or something stronger than beer, he will have a comfortable place to which to go, some place where he will not be a prey to strangers of one sort or another, and that he will get the very best that can be provided—not something that is drugged, bootlegged stuff or something that will do him injury. Liquor has its rightful place, and I presume that when the sailor comes in after having been frozen or half-frozen for weeks, passing through storms and terrible times, if he thinks a glass of liquor will do him good he should get it. I expect that he will have that privilege and that he will be given pure, unadulterated liquor under the best possible conditions. The department should see to it that he is not compelled to go to places where his health might be ruined, and unfit him to return to the ship.

The minister has quoted some verses and I was glad to hear him. He has the Scotch flair. What would you expect from a man named Angus Macdonald? It is a Scotch

characteristic to love verses and I, too, have been thinking over some verses I have read. I do not believe the poet's name is known, and I am not quite sure whether the title of this particular poem is "The Sea is His", or "The Sea is God's". Two verses occur to me and I should like to quote them—I do so from memory:

Count me the splendid captains
Who sailed with courage high
To chart the perillous waves unknown:
Tell me where these men lie.
To light a path for ships to come
They moored in Deadman's Quay.
The sea is God's, He made it,
But England shall keep it free.

As I repeat these lines I think of the admirals to whom the minister referred—Frobisher, Hawkins, Collingwood, Nelson, Jellicoe and Beatty, all those gallant men from away back, from the time of Drake, in the earliest days of the navy, when British sailors sailed the seas and founded those harbours and colonies that have made possible the commerce which has built up our empire. The other verse is this:

O little land of England
O mother of hearts too brave,
Men say the trust will pass from thee
Who guardeth Nelson's grave.
Aye, but these braggarts shall learn
Who'd hold the world in fee
The Sea is God's, He made it,
But England shall keep it free.

Canada is doing a noble part to-day to help Britain in keeping the seas free.

Mr. REID: There are one or two questions which I wish to put to the Minister of National Defence for Naval Services, but before I do so I join with those who have given praise to the men who man our ships. Too much cannot be said of those who day after day toil in our Canadian ships. The minister this afternoon spoke about the numbers of men in the navy, and he gave a lengthy resumé, one which we were all delighted to hear. Most. hon. members will be pleased to hear of the great number of ships and the numbers of men that comprise the Canadian navy. I say to the minister, keep up the good work, because the navy, of which the minister is head, is at present doing a splendid service. We have no doubt it will continue to do equally good work. The minister spoke of the training of seamen, personnel and so on. I will make this suggestion. I have met many men in British Columbia who had been in the naval service either with Great Britain or in the Canadian navy during the last war, and these men have said to me: "Why cannot our services be utilized? We were experienced seamen in those days and we did our duty. If the Canadian government wants us, we are ready and willing to do the same again." I think the country could very well make use of the services of these men. They got their sea legs many years ago, and with very little training now they would once more render extremely valuable service.

Another suggestion. While we are waiting for ships, while we have a waiting list of four or five thousand men, it might be advisable to look into the idea of having some of these men placed on coastal ships. We could give them some training, because we have coastal ships in British Columbia which go into the open waters, and many of these men could be put on these ships so as to get their sea legs and gain the necessary experience. During the time we are waiting for more ships of our own, this could be done. It was only natural that the navy should take over a number of vessels and ships at the outset, because we had then very few, having only fifteen in all.

The naval department took over certain fishing vessels from owners in British Columbia. My view regarding that is that they should have been rented from these owners only until such time as more suitable naval boats could have been built. Those boats were splendid for the purpose for which they were built, but they were not built as naval ships. If the minister intends to keep them in the naval service, I am of opinion that they will not give the same service as proper naval vessels constructed for naval work, and I think they could well have been replaced rather than bought outright and retained in the service.

The two questions I have in mind are regarding the naval college at Esquimalt, how many men are attending the college there and how many have graduated from it; also regarding Deadman's island, what development has taken place there in connection with naval training.

Mr. MACDONALD (Kingston City): With regard to Deadman's island, no naval development has taken place there up to the present. It has been suggested that some sort of naval barracks might be established there, and that matter is now being considered.

Regarding the number of men who have attended what my hon. friend calls the naval college, I assume he means what we call Royal Roads, Esquimalt, where officers go to receive the training to which I referred in the early part of my address. At the time of the last record I have here, which is April 1, it shows there were at that place 136 officers and 129 ratings, a total of 265. That

number of officers would be apart from the staff. They would move out about every four months.

Mr. NOSEWORTHY: I am sure every hon. member with the tang of the sea in his blood has been thrilled by the references made by the minister this afternoon to the great historical figures of British naval history. We have also been interested in the glowing picture he has given of a fast and greatly increasing Canadian navy. There are a few points on which he touched to which I should like to make reference and on which I think the committee might be entitled to further information.

The minister told us in round numbers of the increase which has taken place in the Canadian navy since the beginning of the war. He told us we now have a navy thirty times as great, I think he said, as at the beginning of the war. That in itself does not give us very much information, for my recollection of the Canadian navy at the beginning of the war is that it was very small indeed. He gave us the number of ships which have been added to the navy. I wonder if in order to round out that picture, he would be willing to give us a break-down of those figures showing the various classes of ships included in that total.

He spoke also of the duty and the great service rendered by the ships in convoying. We heard of 56,000,000 tons of goods convoyed safely across the ocean, and 9,000 ships. Would it be in the public interest for the minister to give us the other side of that picture? May we have from the minister the total value of ships and cargoes sailing from Canadian ports that have been lost during the war; first, those lost within convoys or while being convoyed, and second, those lost without convoy? That would enable us to get a clearer picture of the work that the navy is performing and the dangers and difficulties with which the navy is faced.

No mention was made by the minister of the future programme pertaining to the building of merchant shipping; that I presume comes under another department. It is a matter very closely related to the navy, since our success in getting our goods delivered to the battle fronts depends to a large extent upon the number and nature of the merchant marine as well as upon the number of navy ships. I trust that at some later time in this debate we may be given a report of the programme for the building of merchant ships as well as ships for the navy.

At two or three points in his statement the minister referred to the matter of research, invention and so on. He gave us some details regarding research being made into such matters as the health of seamen aboard ships, diet and so forth. Could the minister tell us what organization exists to take advantage of Canadian engineering ingenuity and inventiveness for the inventing and production of new and improved types of ships, guns, et cetera, whether there is any organization of that kind or any council of marine and civil engineers employed in that particular field, or whether we take all our designs for ships and equipment and defence from the British navy?

A reference was made to the naval cadets. I should like the minister to inform us whether he and his colleagues in the other defence departments have yet been able to agree upon a basic educational course for the cadets of the three branches of the service. I have some knowledge of cadet training, some knowledge of the confusion which the training of three different classes of cadets is causing throughout the schools of the country at present. There is an undesirable competition and in some cases dissension and jealousy arising between the cadets of the different forces. In one school in Toronto, for instance, we have sea cadets; in another, army cadets, and in another, air cadets. Principals of schools, staffs and educational authorities are finding this very confusing.

I remember sitting in at the council meeting of an educational association over a year ago, when recommendations were sent by it to the military authorities suggesting that the major part of the training in the three cadet branches should be uniform, and that any specialized training should be taken after the period of basic training had been completed. That would enable us to establish a type of school cadets all of whom would receive the same basic training, wear the same uniforms and consider themselves of equal importance in the defence of the empire.

Much has been said already with regard to rates of pay for our seamen. One feature in that connection we must not overlook; that is, the effect which adequate pay and allowances will have upon the morale of our people. I can think of few things that would give our war effort greater impetus than adjustments which would give more adequate pay and dependents' allowances not only to our sailors and seamen but to the members of the other services as well. Over the week-end I met a number of social service workers in my riding who informed me that there were in it a large number of families where

the husbands are in the armed forces, which families to-day are receiving less than they were when the husbands were on relief. That information is authentic; that state of affairs actually exists in connection with enlisted men who left behind them large families. The situation was so acute in York South that social workers were undertaking to raise a sum of money to assist some 250 such families in that one riding, 250 families whose subsistence allowance these workers felt was below the level required to provide a decent standard of living, even the standard maintained by the relief authorities there. Cases of that kind do more to impede our war effort than all the labour strikes we have had.

A good deal was said by the hon. member for Davenport with regard to those who contribute indirectly to the services of the navy. I would simply add to what the hon. member said that what these workers want from this parliament is not praise or eulogy. They want, first, an adequate wage and, second, the right to join their trade union and the right of collective bargaining, a right which will give them some dignity as human beings. That is the need of the men who assist in the building of the navy. That, too, would add to our war effort to a great extent.

Mr. BENCE: When the army estimates were under consideration the other day I asked the Minister of National Defence to make a statement in connection with this question of dependents' allowances, with particular reference to the navy. At that time the Minister of National Defence for Naval Services gave a very short explanation, which appears at page 1947 of *Hansard*. At the same time he stated that he was not in a position to give the figures, but that he was having a conference, I think with the treasury board, on Thursday morning, at which he hoped the whole matter would be adjusted.

I am sure the committee would be interested to learn the result of that conference, and to hear a statement by the minister in regard to it. May I point out to hon. members who are not familiar with the dependents' allowance in the navy, that what are known as service ratings and other ranks, which, as I understand it, means all those in the navy other than commissioned officers, are given a dependents' allowance of $22.50 a month, while the amount paid in the army is slightly more than 50 per cent greater, or, in other words, $35 a month. I am not for a moment suggesting that the $35 a month paid by the army is more than adequate. I join with other hon. members who have expressed their belief that it is not adequate, and that some sort of cost of living bonus should be given to the dependents of those in the army, as it is given to various civilian groups in this country. I would point out, however, that the dependents' allowance paid by the army is 50 per cent greater than that paid by the navy; and if the wife of the man in the army is having a hard time to get along, the wife of the man in the navy must be having a very much harder time. I know the minister pointed out that there were reasons for the difference. Among other things he said that a larger subsistence allowance was paid in the navy to those men living out of barracks. I suggest to him that this is very poor comfort for the wives of the men who are living in barracks, or on board ship. The minister might give us the number of men living in barracks and the number living out of barracks, in order that we may ascertain how many men in the navy are benefiting by the special subsistence allowance to which the minister referred.

In that connection also I think I should refer to the dependents' allowance in the case of naval officers. Hon. members may be interested to learn that for all officer ranks the dependents' allowance is set at $30 a month, with no variation such as exists in the army. So the dependents' allowance paid to the wife of a naval officer is $5 a month less than that paid to the wife of a private in the army. It seems to me there must be some very unusual reason for the fact that the dependents' allowance in the case of naval officers for all ranks from navy sub-lieutenant to navy commander is fixed at a maximum of $30, while army officers have a graduated scale of dependents' allowances, ranging from $45 for an army lieutenant to $60 for an army lieutenant-colonel. I believe the committee should be given some explanation of the reason for this discrimination.

The question of allowances for children is a matter which it seems to me should be of considerable interest to hon. members, because it is of some concern to me. Would the minister tell the committee in what respect the allowances for children were changed as a result of the announcement made by the Minister of Finance last November? At that time the Minister of Finance indicated that so far as the army was concerned, whereas previously an allowance for only two children was paid of $12 a month, it had been extended to provide $9 a month for the third child and $6 a month for the fourth child. The prior arrangement as to allowances for the children of men in the navy was that they should be paid $7.50 a child, up to four children. Would the minister tell the committee what change has been made in that regard?

I have been informed—and I do not know whether my information is correct—that the wives of men in the navy who are under the age of twenty-two years are not entitled to allowances.

Mr. MACDONALD (Kingston City): That has been straightened out.

Mr. BENCE: It has been changed?

Mr. MACDONALD (Kingsston City): Yes, some time ago.

Mr. BENCE: I am glad to hear that.

Mr. MACDONALD (Kingston City): Perhaps I should say something with regard to allowances, because that subject has been mentioned by almost all hon. members who have spoken with respect to these expenditures. It is quite true that there has been some difference between the naval regulations regarding pay and allowances on the one hand and the regulations of the army and the air force on the other. How that arose it is difficult now to say; but there is no doubt, as the hon. member for Saskatoon City has just pointed out, that the condition did exist. For example, for a time the navy paid dependents' allowances of $7.50 to each of four children. For a long time the army paid allowances for only two children. It made no difference if a man had ten children, he was given allowances in respect of only two. In those days the navy was better off in that respect. Then, last November the army and the air force increased to four the number of children who might benefit under dependents' allowance regulations. As my hon. friend has correctly pointed out, the total allowance payable for four children was raised to $39, made up in this way: $12 for the first child, $12 for the second, $9 for the third and $6 for the fourth. The navy allowance remained at $30 for four children.

One of the great problems has always been that the daily pay received by men in one service has not at all times corresponded with the pay received by similar ranks in the other services. Nor has the amount allowed for out-of-quarters allowance in the navy corresponded with the allowance in the army. On that account, when we have come to deal with the question of other allowances it has been pointed out to us that while we were low in one respect we were high in another. The problem of working out these various basic rates of pay, wives' allowances, children's allowances, and out-of-quarters' allowances has been rather complicated.

I have been before the treasury board several times. It is true that only last Thursday I thought I had the treasury board soundly convinced as to the wisdom of a certain course of action. I found, however, on Saturday that I had not succeeded on Thursday as well as I had hoped; and I had to endeavour to convince them again to make some adjustment, to give a little here and to take a little there. But that great body, the treasury board, which is always just, if not indeed always generous, has, I think, seen the light. I hope that by to-morrow I shall be able to say that allowances made to wives of men in the navy and to the children of men in the navy have been put on a parity with allowances to wives and children of men in the other two armed services. I believe I shall be able to say that, so far as the treasury board is concerned, by to-morrow afternoon they will have agreed, and that the matter will have been straightened out. We may, however, have to take a little reduction somewhere else.

Mr. HANSON (York-Sunbury): The minister's statement makes it very apparent that at least up to this moment there has been a disparity between allowances to dependents of those in the navy and allowances to dependents of those in the air force and the army. I have always thought that, and I have pointed it out in the house on more than one occasion. However, I have never got anything definite before from the minister by way of an admission.

Mr. MACDONALD (Kingston City): My hon. friend probably asked the other ministers.

Mr. HANSON (York-Sunbury): We have always been told that there are counterbalancing perquisites, if that is the right term to use, or compensations to members of the naval staff.

I am rather surprised to hear the minister intimate what the treasury board is going to do to-morrow. It seems to me rather like forcing their hand, if I may suggest that to the minister. I was once a member of treasury board, and I have always found—

Mr. MACDONALD (Kingston City): They are not very popular.

Mr. HANSON (York Sunbury): —that members of the treasury board are pretty hard-boiled, when it comes to the other fellow's department. They are pretty stiff-necked when it comes to dealing with allowances for other ministers' departments, but they are not so stiff when they are dealing with their own. I believe that is the history of all treasury boards. During the time I was a member of treasury board that was par-

ticularly so, because money was hard to find. We had not as generous a public behind us in those days, as we have in war time. I can recall with what great glee members would sharpen their pencils and start in to see where they could cut. I remember particularly the question of motor cars for members of the permanent force. A colonel always wanted a Buick car but, so far as I can remember, he never got beyond a Ford—and I thought in days of depression if he got a Ford he was lucky.

I make these observations only in passing. May I add my tribute to the Royal Canadian Navy, and a word of congratulation to the minister upon his eloquent passages in describing the romance of the British navy, of which those of us of British descent are always so proud. I was born by the sea, and until I was twenty-two years of age I sailed the sea, and the turbulent waters of the bay of Fundy. Anybody who has lived down there knows what that means.

An hon. MEMBER: Political waters.

Mr. HANSON (York-Sunbury): No; political waters have always been fairly smooth for me; I am not referring to them. Anyone who as a youth, as I was, sailed the waters of the bay of Fundy knows that it requires some skill. I will say that it is with the greatest possible pleasure I reflect that as a young man I sailed the sea, and it has been a matter of great regret that my search for opportunity to earn a living has meant my leaving it.

I am interested in the Canadian navy. I have always supported efforts to build it up, and I remember with deepest regret how in the early twenties, after the war and when there was a change of government, the activities of the navy declined, particularly in the matter of naval education. To-day we are apt to be tremendously loyal to the necessities of the time. But I recall that the chief objection to naval education and naval training came from my hon. friends to the left—absolutely. Let there be no mistake about that. Not many are here to-day of those who were here then, but their predecessors in office, if I may so term them, those men, and women too, raised their voices on each and every occasion it was possible to raise them against the theory of Canada maintaining a navy and of naval education. Well, time brings great changes. It is not necessary perhaps to hark upon—

Mr. BLACKMORE: May I interrupt the hon. gentleman?

Mr. HANSON (York-Sunbury): I will not include my hon. friend because his group is of a later day and generation. I am referring rather to the men on our immediate left and his immediate right. There were those in this house in the days between 1921 and 1925 who used to boast of the Minister of Mines and Resources (Mr. Crerar) as their leader.

Mr. CRERAR: Not during that day.

Mr. HANSON (York-Sunbury): No, that is not quite correct; my mind is running astray for a moment. It is not worth while harking back to those days. It is a matter of history and history will bear me out. But it is a matter of regret to-day that we did not do more in the days that are gone by. That may be the old story of hindsight and foresight. If we had known what was going to happen, I think we would have all tried to do more.

There is no doubt that the Canadian navy performed valiant service in the days that are immediately behind us, and I know it will perform valiant service in the great conflict in the days that are immediately ahead. Some of us had the occasion to investigate what is being done. We were able to go on board the corvettes and faster destroyers and motor torpedo boats when we were in Portsmouth last September. We were able to see the risks that are undergone by these boats as a matter of course. That is one of the romances of this war.

I should like to pay a tribute to the merchant marine. When we were in England we heard a great deal about the gallantry of the merchant marine at the time of the evacuation from Dunkirk. Had it not been for the merchant marine the number of troops left on the continent would have been much greater. The men of the merchant marine, about whom so little is heard and for whom so little has been done, go down to the sea in ships, and in ordinary times they work for a very small wage. I hope that Canada will build up a merchant marine that will be worthy of the name and that our flag will be seen on the seven seas when this war is over.

Those of us who are laymen ordinarily look upon the vessels of the navy as being fighting vessels. The minister has not indicated as yet, but I hope he will do so before this discussion is over, the break-down of the 400 ships to which he has referred. I am sorry to think that perhaps we have not as many real fighting ships as we ought to have. There is no doubt that great progress has been made in the building of corvettes, mine-sweepers and other small naval craft of that kind. I recall in one discussion held in this house not so long ago that the minister intimated that plans were being made for the building of destroyers

and, if I recollect aright, something in the nature of a cruiser. However, I stand ready for correction on that.

Mr. MACDONALD (Kingston City): I hope it will be that.

Mr. HANSON (York-Sunbury): I know something of the difficulty in the way of building larger war vessels in Canada at this time, especially when we are keeping in mind the need for the rapid building of merchant ships. As a matter of information only, I should like to know how rapid the growth has been with respect to really effective ships of the corvette and mine-sweeper type. The minister will recall that in the early days of the war a large number of pleasure boats were bought in the United States with almost feverish haste. I am not going to criticize that action because I understand the condition that existed at that time. However, it always seemed to me that it was not necessary. I should like to know how many were bought, what money was paid for them and what has been their usefulness. In my own mind I always questioned the usefulness of these yachts. I may be all wrong about it. I am only giving the reaction in my own mind which, I admit at once, may be based upon data that is not wholly adequate. I know that a great deal of criticism reached me about this. In the early days, in an effort to build up a navy, I know there was a great deal of haste without perhaps as much discretion as should have been shown. The minister might give us some information about that.

As I say, I should like to have the breakdown of our ships in order that we may know what are really the effective ships. Not long ago a man told me that in counting the number of ships which composed the Canadian navy they must take in every sixteen-foot rowing boat. I do not suggest that that is true, but the 400 ships mentioned by the minister must of necessity include a large number of small ships in the nature of tenders and that sort of thing. While they serve a useful purpose in the navy, I know it is not contended that they are effective naval vessels.

There are one or two other matters to which I should like to refer briefly before six o'clock. The first is the establishment of the naval college on the Pacific coast. I have no objection at all to that, but I suggest to the minister that he probably will have to reestablish the Halifax naval college if he is to satisfy public opinion on the Atlantic coast. I do not know what thought he has given to this, but it does seem to me that if you are going to train men for the navy, consideration should be given to training them on the Atlantic coast and not removing them to the other coast. I do not mention this in any sectional way at all. There are no better sailors in the world than those who go down to the sea in ships from our Atlantic coast, and in that statement I include those who come from the bay of Fundy, the most turbulent water in that portion of the Atlantic coast. Is the minister ready to make any announcement in regard to the matter?

I should like to know how a young man can get a commission in the Royal Canadian Navy without first enlisting as a rating. How is that arranged? I know that men just out of college do get commissions without having to enlist as ratings, and I should like to know the modus operandi.

Then I should like to ask the minister if he intends to give the committee any information with respect to the future programme of naval training.

One other matter has been referred to, the trouble at the Ajax club in Halifax. Has the naval department as such any responsibility in the premises? There has been a violent controversy in the city of Halifax with regard to that matter. I do not pretend to know the rights or wrongs of it, but I do know that a great deal of feeling has been stirred up over that one incident. Perhaps the minister, if he knows anything about it, will tell the committee and put the position right on paper so that the public may have the official view as to what was the trouble, where the responsibility is, and what is going to be done.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MacINNIS: I want to ask the minister a question, but because of certain points raised in the discussion this afternoon I wish to say a few words before I put the question. I am afraid the naval minister's language was a little too lyrical because I noticed that some of the staid and prosaic members on my right, for instance the hon. member for Davenport (Mr. MacNicol) and the hon. member for St. Paul's (Mr. Ross) burst into verse.

Mr. HANSON (York-Sunbury): They were overcome by emotion from the minister's speech.

Mr. MacINNIS: That is exactly what happened. I realized that, and that is why I think he should have curbed his own emotions a little. It is fine to recite "Rule

Britannia," and "Britons never, never will be slaves." It is a stirring poem. But I have read other poems by equally distinguished poets. For instance, no one would doubt the capabilities of Shelley as a poet—

Mr. REID: And Scottish poets.

Mr. MacINNIS: Yes. I was wondering whether someone would recite "Scots, wha hae." But Shelley did not say "Britons never will be slaves". He said:

Men of England, wherefore plough
For the lords who lay ye low?
Wherefore weave with toil and care
The rich robes your tyrants wear?

Wherefore feed, and clothe, and save,
From the cradle to the grave,
Those ungrateful drones who would
Drain your sweat—nay, drink your blood?

There are two sides to the sailor's life, and we should not allow ourselves to be so carried away by our emotions at a time like this. I do not object particularly to poetry; as a matter of fact I like it, though sometimes I do not like the way it is recited. But this afternoon other statements were made which I think were altogether out of place in this discussion. Attempts were made to apportion blame for Canada's unpreparedness for the war. If we are to have a discussion on that question I have no objection. We in this group are ready to go into the facts and show who was to blame for Canada's unpreparedness. What surprises me is the power and influence of this little group over here.

Mr. HANSON (York-Sunbury): What!

Mr. MacINNIS: The power and influence of this little group over here—that we were able to prevent the government from doing something they were anxious to do. My hon. friend (Mr. Hanson, York-Sunbury) was a member of a government which from 1930 to 1935 had a large enough majority in this house, and a leader who could shove anything he wanted through the house; and instead of increasing the military preparations of the country, that government did nothing about it. I am not blaming them. In the parliament before that, the government had a majority that could do anything if they wanted to do anything, but they rarely did want to do anything. That those governments did not carry out an armament building programme was not because of any obstruction by this group of seven members. But if we are so influential in that regard, how is it that we have failed to get this government and other governments as well to pass progressive legislation which we advocated? We urged for the passing of unemployment insurance legislation year in and year out for years. It was only when the war was at our door, although unemployment insurance had been in the Liberal party's programme since 1919, that an unemployment insurance act was passed. Why have we not better old age pensions legislation? Is it because of obstruction from this group? It is because the government does not want it. That is why. If we are to discuss who is responsible for military unpreparedness, let us have notice, and we shall discuss it at the proper time and in the proper manner.

Tributes have been paid to the merchant marine. I wonder whether my hon. friends who are paying those tributes know the conditions which the sailors of our merchant marine have to endure. Do my hon. friends know that until 1934, when the Canada Shipping Act was passed, though not proclaimed even then, we were operating under the Merchant Shipping Act, which was passed in 1857, and that sailors' wages were reckoned in pounds, shillings and pence? Almost the first thing I did when I came here in 1931 was to move an amendment to the Merchant Shipping Act, proposing an eight-hour day for the men in our merchant marine. The only thing sailors on Canadian ships will get are belated tributes from people who do not expect to give them anything better than that.

Why were we not better prepared for the war? The hon. member for New Westminster (Mr. Reid) knows quite well what I am talking about now because he worked sedulously for better preparation. He knows that ships of the Canadian Pacific Railway plying between Vancouver and the orient, with the exception of the officers, were manned by Chinese. The hon. member for New Westminster and a few others from British Columbia tried year after year to get that changed. Why was it not changed? Was it because governments did not have a majority? No; but because the governments were more interested in the profits of the Canadian Pacific than they were in building up a merchant marine for Canada. When war broke out, all these vessels were manned not by Canadians but by Chinese.

I do not know whether after this war is over, we shall have a country that will be armed to the teeth, but I will say, if that is going to be the state of affairs, if that is going to be the condition in which we are to find ourselves, then we have lost the war. Let us remember that the sentiment throughout the world after the last war was, "no more war," and that a condition of the treaty of Versailles was that the nations should reduce their arma-

ments. But there is another consideration before we can decide whether we are going to have a large army, navy, and air force; in the ultimate analysis all these things depend on our foreign policy, on the relations we build up between ourselves and the rest of the world. It is because we did not build up the necessary relations that we are fighting this war, and not because the nations of the world did not engage early enough in the armament race. It is about time we began to talk sense even if we are engaged in a war. We are engaged in the war reluctantly. I am proud to say that, and when we finish it I hope we shall have sense enough to build a different kind of world, a world in which we can live not by building huge navies or air forces or armies but by abolishing them. Only by doing that can we demonstrate our humanity and the right to be called Christians, a Christian nation.

The question I was going to ask the minister is this. I believe an agreement exists between Canada and Great Britain under which the Canadian government is obligated to maintain the naval port at Esquimalt so that it will be in condition to repair all British naval vessels in time of war. I was informed that some little time ago when the *Warspite* arrived at Esquimalt for repairs they found that the naval people at Esquimalt had failed to install the machinery necessary to operate the main gates of the docks. The result was that the *Warspite,* instead of being repaired at Esquimalt, had to proceed to Bremerton, Washington, where she was repaired. I would ask whether that is the case and, if so, has the situation been remedied?

Mr. MACDONALD (Kingston City): I cannot answer my hon. friend's question with definiteness at the moment, without looking at the record. I know, however, that a very large ship was handled at the dock at Esquimalt—I shall not give the name of the ship—and handled satisfactorily so far as I know. There was, I think, some difficulty on the first day; I think the ship in some way knocked off some of the blocks. But that is a thing that might happen and is not in any sense a reflection on the nature of the dock. As to the particular ship mentioned by my hon. friend, I am not aware of the incident to which he refers, but I shall at once find out about it and report to him.

Mr. GILLIS: I listened with great interest to the minister's presentation. He told quite a nice story respecting the development of the navy, and he eulogized the work being performed by the men of the navy, particularly those serving on the water. If hon. members are sincere in their appreciation of the work of these men, the best way they can show that appreciation is by removing some of the grievances which the men performing that wonderful service have.

I wish for a few minutes to associate myself with the hon. member for Saskatoon City (Mr. Bence) and develop a little further the question of dependents' allowances as applied to men who serve in the navy, particularly the lower ratings. I was pleased to hear the minister make the statement that he is doing everything possible with respect to having these rates revised, at least to conform with the rates paid in the army, and we trust that the treasury board will show their recognition that an injustice is being committed and that they are prepared to show their appreciation in some practical way and not by mere lip-service.

I have before me a table of rates which, for men who are performing services such as those being performed by the men of the navy, are, in my opinion, a disgrace. I want to draw particular attention to them. It may be of some assistance to the minister in his representations to the treasury board. These are dependents' allowances, and the figures come from the minister's own department.

The marriage allowance for the wife is 75 cents a day, and 25 cents a day for each child. For other dependents, such as mother, dependent brother or sister or otherwise, it is 65 cents a day. The foregoing allowances are payable with the proviso that marriage allowance plus dependents' allowances shall not exceed a total of $2 per diem for officers, or $1.75 per diem for ratings. In effect, this means that a sailor who may be supporting a dependent mother, and is already in receipt, of $1.75 per diem by way of allowance, can receive only 25 cents per diem for the dependent mother. That, in my opinion, is something that should be rectified.

Dependents' allowance is graded according to the income of the dependent as follows—I want the minister to listen to these figures because I think there is something wrong with them. If the income per month is nil, the allowance per diem is 65 cents. If the income per month is $15, the allowance per diem is 50 cents. If the income per month is $10, the allowance per diem is 35 cents. According to the table the larger the income, the higher the allowance; there must be something wrong with those figures.

Further, it states that under a recent order in council the board may grant a supplementary award of dependents' allowance of 15 cents per diem to a dependent if, in its opinion, there are extenuating circumstances to warrant it; that at this point the functions

of this board cease, but further assistance might be available to a dependent. In other words, as I understand it, this means that if, for example, the mother or the wife is not completely dependent and is receiving the maximum award under this supplementary assistance, in case of sickness and so forth the board has no authority to grant any additional allowance.

Then there is the dependents' board of trustees. It has a peculiar function. In cases of urgent need it may augment dependents' allowance "by a special grant of an unspecified amount, provided that the dependents' allowance board has conceded dependency and that full award of dependent's allowance has been granted previously. Application for such grant should be directed to that board." As I read that, the dependents' board of trustees has practically no function. It has no regulations to guide it; it is merely a matter of the board exercising its own opinion, without proper regulations to guide it and proper tables set out. In my opinion the board has only a very limited function; the whole thing is on a charity basis, and it is time that we showed our appreciation, at least to the extent of taking care of the dependents of the service we eulogized this afternoon.

I can readily understand the mind of a man who is on the water, and who knows the situation of his family. One case in particular has been brought to my attention, that of a radio operator who is on the water for eight, twelve or more months at a time. He has a wife and one child, and her total dependents' income is $29.50 a month. I do not consider that that woman is receiving an allowance; I say that she is on relief, because on that limited sum she cannot, in view of the present cost of living, maintain a home, including the cost of fuel and everything else in connection with it. The mind of that radio operator at sea must be in constant turmoil when he thinks of his family trying to eke out an existence on an allowance of that kind. I believe there is nothing that can break down the morale of a man any quicker than conditions of that kind. My experience has been that the man who serves in the army or navy is not concerned with himself. He offers himself in the service of his country, and, if necessary, his life is at stake. He is content to fight for his way of life. But meantime he is leaving his dependents in the care of the people at home charged with the responsibility of running the country. The least he can expect is that during the time he is separated from his country, and the time he is prepared to lay down his life, if necessary, the family he has left behind should be at least maintained with some degree of comfort.

Mr. MACDONALD (Kingston City): My hon. friend knows, of course, that in addition to the amount he has indicated, the rating or petty officer, as the case may be, has to assign some of his own pay. That will supplement considerably the amount of $22.

Mr. GILLIS: I quite understand that. However, I was thinking of the comparison of rates between the army and the navy. For instance, the wife of a naval rating receives $22.50 a month, while that of a soldier in the army receives $35. A wife with two children is paid $15 a month by the navy, while the army pays $24. A mother whose son is in the navy receives $19.50, but if her son is in the army she receives $25.

I can see no reason why the rate in the navy should not conform to that in the army. I take off my hat to the boys serving on the water. The two services cannot be compared. In saying this, I am not attempting to underrate service in the army, because I know a little about both.

Another category of men who serve on the water, and one to which this parliament should give full consideration, is our merchant seamen. These are the men who serve on convoys. They do not have uniforms, nor do they enjoy any of the glory attached to other services. But they are performing one of the most essential services of to-day, and certainly one of the most dangerous. Yet they get very little consideration for their work.

I should like to bring to the minister's attention a point in connection with the merchant navy which I consider very foolish. I refer to the practice of drifting around the country. On my way home when the house adjourned for the Easter recess, between Montreal and Halifax I met a trainload of British merchant seamen. They told me they had landed in New York on a boat from the old country. The crew had been discharged in New York, and they were then being transported to Montreal, and from there to Halifax to get another ship. I do not know whether I am correctly informed, but they did say that while they were in transit in Canada the Canadian government were responsible for their transportation. I believe it was $5 a week they were being paid until such time as they got another ship. They were also provided with meals. What I cannot understand is that that crew

had come from the old country to New York aboard ship. They were discharged at that port, and another crew was put aboard that ship while the first crew was transported all over the north American continent in order to get another boat to take a cargo back to England. In my opinion that is poor organization, and there is something wrong when we find drifting of that kind. If a boat comes from the old country with a cargo, I cannot understand why that crew could not take the boat back whence she came. The eastern ports are crowded with seamen awaiting ships and drifting around like that, when they could be better employed on the water. I believe that particular phase of transportation by water should be strictly supervised, and under the direction of the naval department. I am not quite sure, but I have been given to understand that that particular phase of each sailor's life is under the supervision of some other department.

Mr. MACDONALD (Kingston City): The Department of Transport.

Mr. GILLIS: I believe someone should take hold of it, and do some organizing. To my mind, it is silly to have men, after leaving their boats, drifting from one end of the country to the other, looking for other boats.

While I am on my feet I should like to bring the subject of port facilities to the minister's attention. I have corresponded with him for a considerable time concerning wharfage facilities at Sydney. Perhaps hundreds of boats will pass through that harbour this summer, as they have been doing since the outbreak of war. On many occasions boats with cargoes, the vessels having been slightly damaged, enter that port. In order to repair the boat it is found necessary to discharge the cargo. Much delay has been occasioned because of the fact that at Sydney there are no proper wharfage facilities where the boat could be tied up, and where it could be repaired in proper time. That, too, I am informed comes under another department. I believe the matter has been referred to the Department of Transport. The condition has existed since the outbreak of war, and I know it is far from satisfactory, as far as those persons in the naval department charged with the responsibility of directing traffic in and out of that harbour are concerned. Something should be done about the matter.

All these are emergency conditions which have to do specifically with our war effort, and they should not be under the jurisdiction or direction of a peace-time department. In my opinion they should be taken hold of by the Department of National Defence for Naval Services, and that department should see to it that those who are directing affairs in the ports are given proper facilities with which to work.

I understand, too, that an essential repair plant in that harbour has been tied up for some time because of some dispute with respect to noise. Certain people do not want the project to be developed in that place, and their attitude is impairing our war effort. That plant is necessary, and I suggest the minister should not be backward in any way in taking hold of matters of that kind and straightening them out. If we delay long enough, we may be seriously handicapped in the future.

I should like to get some information from the minister. Let us take the case of an army veteran in receipt of war veterans' allowance to the extent of $25 or $30 a month. It is my understanding that if the son of such veteran enlists in the navy and makes an assignment of pay to his father, a deduction to the extent of the assigned pay is made from the allowance.

There is another request I should like to make before I take my seat. A few days ago the Minister of National Defence gave a complete table of the pay and allowances of all ranks in the army, which table appears at page 1925 of *Hansard* for Tuesday, April 28. Would the minister place on *Hansard* similar schedules with respect to naval ratings?

Mr. MACDONALD (Kingston City): I shall be glad to do that. I cannot give them at the moment, but I will place them on *Hansard* for the benefit of my hon. friend.

Mr. GILLIS: Could the minister give us any information as to the question I asked with regard to the war veterans' allowance?

Mr. MACDONALD (Kingston City): I should not think that the situation he mentioned would be the case, but if my hon. friend has knowledge of that having happened, of course I will accept his word on the matter. I should doubt very much that a thing like that would happen. As I understood it, the hon member's question had to do with a veteran of the last war, in receipt of a war veteran's allowance, whose son has now enlisted in the navy and, as a consequence, the allowance to the father might be stopped. I should very much doubt that this would be the case. I know of no such instance, but I will make certain by to-morrow, and if that should be the case I will certainly look into it.

Mr. HAZEN: On November 22, 1940, the hon. member for Cumberland (Mr. Black)

directed the minister's attention to a Canadian Press dispatch, which appeared in newspapers all over Canada, stating that the city council of Halifax had asked the federal government to establish Canada's proposed naval college at Halifax. The dispatch went on to say—I am not quoting the exact words—that the hon. member for Victoria, British Columbia (Mr. Mayhew) had stated that he had been authorized to announce that the college, or academy, as I think he called it, would be located near Victoria. Among other things the hon. member for Cumberland asked these questions. Was the dispatch correct? What reason could the minister give for not locating the naval college at Halifax, and why should not the minister himself make such an announcement, rather than a private member? During the course of his reply the minister said:

> It is true that we acquired a site in western Canada for use in the same way as we have provided accommodation at Halifax, and for the same purpose—a short period of training for officers. That, I think, is what my hon. friend the member for Victoria, B.C., had in mind when he spoke to the press men. They have construed that to mean that a site for a naval college has been selected. That is not the case; a site has not yet been selected for the college.

I understand from the hon. member for Cumberland, who is not able to be present this evening, that Halifax claims the naval college belongs to Nova Scotia, for two reasons. The first, if I understand the matter correctly, is as a matter of right, on the ground that the college was originally established there and remained in Nova Scotia until it was destroyed in the Halifax explosion, when it became necessary to find another location, temporarily at least, and it was moved to Esquimalt. The second reason why they claim it should be located in Halifax is in order that it may be in comparatively close proximity to Great Britain and to the British navy. What is the present position? Has the college been definitely located in British Columbia or, if not, what is the position at the present time?

Mr. MACDONALD (Kingston City): A decision has been arrived at since the statement from which the hon. member has quoted was made. That decision is to establish the college near Esquimalt, British Columbia; and, as I said in my earlier remarks, it will be opened in September or October of this year.

Mr. BRUCE: I should like to make a few remarks in regard to the medical services provided for the navy. A couple of evenings ago the hon. member for Renfrew South (Mr. McCann) expressed the view that there should be one combined medical service for the army, navy and air force. Doctors, of course, are allowed to have different opinions on many matters; therefore I venture to disagree with the hon. member in this regard. I think it highly desirable that the navy should have a medical service of its own. Conditions affecting the navy are different from those affecting the army. Medical men who give their services to the navy will soon become specialists in that kind of work, and I think it is highly desirable for the navy to have its own medical service. I am glad to note that the head of that service is a very competent officer, Surgeon Commander McCallum, and I also wish to compliment the minister and his department upon having been able to secure the services of Doctor Best of Toronto. Doctor Best is well known, as the minister indicated to-day, as the co-discoverer of insulin. He is a man of exceptional ability in research, and I feel quite confident that the work he will do for the navy will be of great value. I presume the minister will have a hospital established on each coast especially for the navy, because I feel sure that will be necessary. We have the experience of Great Britain to guide us in these matters. There is a separate medical service for the navy, one for the air force and another for the army. Many of us remember Netley naval hospital, Portsmouth, which has been established for many years, and where splendid work is done for the navy.

I thought I should like to express my opinion in regard to the value of the services being rendered by the medical men in the Royal Canadian Navy, and as to the necessity for its being a separate service, which I am sure will justify itself before this war is over.

Mr. MACDONALD (Kingston City): I thank my hon. friend for his comments and approval of the course which the navy have taken in regard to its medical services. I may say that hospitals have been established and are in use at each coast. These may be enlarged as necessity requires.

Mr. BLACKMORE: How does it come about that rates of pay in the case of naval ratings' dependents are inferior to those which obtain in the case of the army?

Mr. MACDONALD (Kingston City): I hope that by to-morrow I shall be able to say that the matter has been adjusted. This goes back over a considerable number of years. As I said before six o'clock, there was a time when the navy paid children's allowances up to four children, whereas the army at that time would pay allowances only for two children. Last November the army decided to pay allowances for four children, and the navy remained as it was. The navy

allowance is somewhat lower, being only $7.50 a month per child. A man in the navy who lives out of barracks receives a somewhat higher allowance than a man in the army similarly situated. This is another historical anomaly I have never been able to get to the bottom of, but it is there. There is no good reason for it, but it is so. While some naval men were getting less money in certain respects than the army, other navy men were getting more. We are trying to adjust this matter so that there will be substantial equality between the services. Some naval ratings may have to take a cut, that is, those men who live out of barracks, in order that the wives and children of all may have a little more. I hope the whole matter will be worked out by to-morrow at three o'clock.

The hon. member for Vancouver East (Mr. MacInnis) raised a question about a certain ship. I am informed that there was never any question of that particular ship being sent to that port for repairs. She was at that port but not for the purpose of being repaired. As my hon. friend probably knows, the dock there is not a naval dock; it is owned by the Department of Public Works. After his stay in Esquimalt the captain of that ship wrote to an officer of the department here to say how pleased he was with the treatment he had received in that harbour.

Mr. MacINNIS: Will the minister tell the committee if the *Warspite* was repaired at Bremerton? There must be something wrong because naval men to whom I have talked were very wrath about the matter.

Mr. MACDONALD (Kingston City): The information I have from an officer of the department is that there was never any question of the *Warspite* going to Esquimalt for repairs, although she was at Esquimalt. Any repairs that were needed were intended to be made elsewhere, namely, at Bremerton. In any event the dock at Esquimalt is a public works dock, not a naval services dock. The captain of the *Warspite* wrote to say how good they were to him at Esquimalt.

Mr. DOUGLAS (Weyburn): I am sure the people of Canada and the members of the House of Commons will be glad if the minister is able to make an announcement to-morrow with reference to dependents' allowances. While it is true that those living out of barracks have been getting a slightly higher rate, the men who are at sea and who are taking the greater risk are the ones penalized by this inequality in dependents' allowances. As the minister knows, a large number of his personnel have come from the prairies, particularly from around Regina and Calgary. During the Easter adjournment I had parents come to me about this matter, and I know the minister has been concerned about it. A man with a son in the navy since before the war came to me and said that the wife and one child of this man were receiving dependents' allowances of only $27 a month. This man was working to earn his own living, but he had been sending a sum of money monthly to his daughter-in-law in order to help keep her and her child. She could not begin to live on the allowance she was receiving. I shall certainly congratulate the minister if he is able to announce something to-morrow. Could he give us a break-down of the sum of money we are voting in this resolution for naval services?

Mr. MACDONALD (Kingston City): The hon. member for Yale (Mr. Stirling) asked for that information and there were several other questions asked by him. The total amount asked for naval services is $258,542,713. This is divided into some nine or ten headings, which I can give to the committee in round figures. They are:

Civil salaries and wages	$ 3,768,000
Pay and allowances	53,195,000
Travel and transportation	2,585,000
Operating expenses of properties	1,455,000
Ships: acquisition by purchase, construction, charters, repairs and upkeep	80,153,000
Equipment division components	3,923,000
Purchase of new machinery and repairs to buildings and machinery	2,874,000
Buildings: acquisition, construction and purchase and rental of land and buildings	21,955,000
Stores, equipment and supplies	52,720,000
Armament stores	34,166,000
Sundries	1,743,000

That is the analysis of the total vote asked for by this department. My hon. friend asked, I believe, for a comparison with last year's estimates. I shall give it to him as accurately as I can, but last year there was a slightly different division of these items.

Mr. STIRLING: If the minister could just indicate where the bulk of the $120,000,000 excess has gone—or as he wishes.

Mr. MACDONALD (Kingston City): It was $80,000,000 odd. Last year the estimate was $169,000,000. This year, pay and allowances are estimated to be $20,000,000 more than last year; repair of ships, $7,000,000 increase; repair of buildings, et cetera, about $4,000,000 increase; stores, that is victualling stores and naval stores, up roughly $13,000,000; armament stores, up about $20,000,000.

Mr. STIRLING: That is about $65,000,000.

Mr. MACDONALD (Kingston City): The difference between this estimate and last year's is about $88,000,000. Those are the main items of increase over the estimates of last year.

Mr. STIRLING: Judging by the figure which the minister gives of the increase in the number of ships, I am surprised that the item in this estimate of $80,000,000 is only $7,000,000 bigger than last year.

Mr. MACDONALD (Kingston City): Of course our last year's programme of ship-building was very heavy, probably even heavier than this year's. Last year showed a tremendous development of corvette building. From the opening to the end of navigation last year we commissioned on an average, I think, two ships a week.

Mr. STIRLING: How far can the minister go in breaking down the figure of ships? The leader of the opposition asked if we might have those figures.

Mr. MACDONALD (Kingston City): I can go some distance but not all the way; that is, I do not wish to give exactly the number of any particular type of ship, but I can approximate it. First of all, the leader of the opposition asked how many of these ships were real fighting ships and how many were simply boats. About half of the number which I have named are what might be called "shooting" ships; they are equipped with various types of armament, some of them with depth charges or torpedoes. All of them are ships which are capable of taking the aggressive in an action.

As to an analysis of the total number of fighting ships, let me take corvettes first. On the water to-day there are, let me say, roughly 75 corvettes. That is not the exact figure. There are roughly 45 mine-sweepers. There are more than a dozen armed yachts. The leader of the opposition asked whether the armed yachts were of any use. They are. They are used for patrol purposes along the coast. They are armed with guns, and they also carry depth charges, so that they are ships of considerable value along the coast of a country.

Mr. STIRLING: Are they on both coasts?

Mr. MACDONALD (Kingston City): Yes. Most of them are on the east, but two or three of them are on the west. We have about two dozen of the Fairmile motor launches, between twelve and twenty destroyers; we have several auxiliary cruisers. The precise number is probably known to most hon. members and I will not give it. That is an analysis of the important types of fighting ships in our navy. There are a good many others which I have not mentioned, such as gate vessels, tugs, harbour motor-boats, and so on, that I will not speak of here.

Mr. STIRLING: May I ask with regard to the other half, the 200—roughly speaking—which are not fighting ships. Do they go right down and include 16-foot pulling boats?

Mr. MACDONALD (Kingston City): No.

Mr. STIRLING: Are they apart from those?

Mr. MACDONALD (Kingston City): Yes.

Mr. STIRLING: What is the total of all we have?

Mr. MACDONALD (Kingston City): As I said, we have a total of probably 400 ships of all kinds. They would include tugs, harbour vessels, patrol vessels of one kind or another, fishermen's reserve vessels and that sort of thing, which I have not given in this analysis.

Mr. STIRLING: But the minister does not include such things as pulling boats, whalers and craft of that sort in the 200?

Mr. MACDONALD (Kingston City): No.

Mr. STIRLING: They are in addition to the 400?

Mr. MACDONALD (Kingston City): Yes.

Mr. GREEN: Is it the intention to acquire any more destroyers or larger warships during the current year?

Mr. MACDONALD (Kingston City): Yes. We have destroyers building now, as my hon. friend knows.

Mr. GREEN: In Canada?

Mr. MACDONALD (Kingston City): We have not actually laid the keels. We have acquired quite a lot of material. It is very difficult to get destroyer steel now. I hope that the last bit of essential material will be acquired very soon and that the keels will be laid within a matter of weeks. But there are destroyers being built in the old country besides those I have mentioned here. Some are almost completed, and others are on the ways in the United Kingdom.

Mr. GREEN: Are we acquiring any larger ships such as light cruisers?

Mr. MACDONALD (Kingston City): No; we have none in mind at the moment.

Mr. NOSEWORTHY: The minister in the break-down he gave referred to 150 ships out of the 400. Can he give any indication of the size or type of the other ships?

Mr. POULIOT: I have just a word to say before the minister replies. I was not in my seat, but I listened from the gallery to the discussion both this afternoon and to-night, and I must commend the Minister of National Defence for Naval Services for the way he is bringing forward his estimates. This is the way it should be done. He is not surrounded by the whole navy; he is alone. Besides that, when a member asks for information the minister gives the details and shows good-will. This is the way in which estimates should be piloted through the committee, and it is the way it has been done by most departments. He seems to have nothing to hide. By the way, he was premier of his province for a number of years and is true to the traditions of Joe Howe, the great parliamentarian, the great figure of Nova Scotia. Of course, it is my great pleasure to say things like this. They are much more pleasant than when I have to say the contrary. What the minister has done will set an example which, I think, should be followed by each of his colleagues. The minister is not supposed to know the names of all the sailors, but he does his best, and, as I say, he shows good-will. I commend him very highly. I am delighted at the way in which he is piloting his estimates through the committee.

Mr. MacINNIS: One word in that regard. I do not think that the comparison which the hon. member for Témiscouata (Mr. Pouliot) is trying to make is quite fair. We had the Minister of National Defence (Mr. Ralston) before us for two weeks, and he was the essence of good temper. He gave information and, if anything, he was too ready to give information. He gave it in the fullest way, and I must say for those of us sitting here that while we have nothing to complain about with regard to the present minister, we must certainly commend the Minister of National Defence for the way in which he gave information.

Mr. POULIOT: I am the first to agree that the expression of opinions is free, and if some members are satisfied with the way in which the estimates are piloted through the committee in some instances, so much the better for them. They are not asking for much. What we are here for is, first, to enact legislation and, second, to check expenditures. The expenditures of all departments should be given to us in sufficient detail that we may understand how the department is being run. That is ministerial responsibility to the members of the House of Commons and of the Senate. It is responsibility for all expenditures that are made in the department. I make no comparisons; I have named no one except the minister who is now piloting his estimates through the committee. I say he is doing well, and I am not alone in that opinion. Many of my colleagues have remarked the same to me. I do not change my mind because of different views that may be expressed, however respectable they may be.

Mr. MACDONALD (Kingston City): The hon. member for York South (Mr. Noseworthy) asked for some information regarding the remaining ships making up the round figure of 400. Some of the remaining ships are classified as patrol boats. They are of varying sizes, and a good many fall into that class.

Mr. DOUGLAS (Weyburn): They are not armed?

Mr. MACDONALD (Kingston City): Some are armed to some extent and others are not. Then there are examination vessels, of which there are twelve. Those are not included in the figures I gave of armed ships. Then there are boom-maintenance vessels. There are about twenty of these, which are used in connection with the maintenance of booms across mouths of harbours. There are gate vessels used where submarine nets are placed across gates through which friendly vessels may be allowed to pass. There are twelve or fourteen of these gate vessels. Then we have about five auxiliary tankers. We have tugs to the number of about ten, and we have a large number of harbour craft, probably over 100. These are of varying sizes. Some of them are 48 feet in length and some a good bit longer. There is one which is 107 feet, another 97 feet, another 125 feet. They are used for harbour work. They are not included in the breakdown of armed ships which I gave. There are munition lighters to the number of five and a few diving boats, and there are nine boats that are used for training purposes in the R.C.N.V.R. divisions. These run from small ones of forty feet up as high as boats of 145 feet in length. I think that accounts for the 200 odd boats that I did not include in my first statement.

Mr. GREEN: The information the minister has given concerning the construction of destroyers in Canada is rather discouraging. On November 11 last the minister said, as reported at page 4268 of *Hansard:*

> The plans for building destroyers are well in hand, and we hope to begin that work very soon.

Then in the booklet "Canada at War" for April, 1942, we find on page 13 this statement referring to destroyers:

Two more vessels of the same type are being built in Canada.

Apparently that information is inaccurate, and the keels have not yet been laid. Is there not some way in which the construction of these boats could be hastened? After all, they are the largest fighting ships that Canada has, and it does seem that we should be doing everything possible to hasten the construction of these destroyers.

Mr. MACDONALD (Kingston City): My hon. friend is quite right; the suggestions he makes are sound and commendable. When I stated on November 11 last that we expected shortly to undertake the building of destroyers I spoke correctly. But my hon. friend will remember that on December 7 the United States became involved in war, and the steel for destroyers, or at any rate certain kinds of steel which is not manufactured in this country—steel which we had hoped first, to get from Great Britain and then turned to the United States to secure—that steel was denied us. On the outbreak of war, the United States government and manufacturers naturally decided that they should keep all their steel there until the situation became clearer. We have received certain shipments of steel from the United States; arrangements have been made for the construction of destroyers at Halifax; things are being shaped up, and the keel steel will arrive, I believe, very soon. Make no mistake; every effort is being made to get it. But my hon. friend will understand how difficult it is for a country that finds itself plunged into war, and has a tremendous shipbuilding programme of its own—an inconceivably big programme in the matter of both merchant ships and war ships—to let steel go even to a friendly country such as ours. But I think that difficulty is being pretty well overcome now. We shall have the steel, and the keels of those destroyers will be laid in a very short time.

Mr. GREEN: Can we not produce steel of that kind in Canada? Is it a different kind from that used in corvettes?

Mr. MACDONALD (Kingston City): My colleague the Minister of Munitions and Supply (Mr. Howe) would know more about that, because he has to build the ships. I understand it is specially treated steel processed by a special heat treatment, that is not available in Canada at present.

Mr. GREEN: Can we not produce that type of steel in Canada?

[Mr. Green.]

Mr. HOWE: We can, but it would seriously interrupt our other activities.

Mr. DIEFENBAKER: There is one phase of the work in which the navy is engaged that was not dealt with at any length by the minister in the admirable address he gave this afternoon. Were it not for the fact that from time to time reports are given in the British House of Commons in connection therewith, I would not bring it up. The contribution of the Canadian navy and all it means, the great sacrifices being made by the men of that service and of the merchant marine, after the recital that has been given us to-day will make us all realize even more clearly that the success of the united nations depends upon keeping the sea lanes open. During the past couple of weeks various statements have been made in the United States senate and house of representatives in regard to the problem of keeping the sea lanes open, and in particular to the submarine campaign going on on the Atlantic, designed to prevent shipments of tanks and munitions and aeroplanes to Russia, to the near east and to Great Britain. According to information published in Washington on April 17 last, considerable improvement is taking place as far as submarine attacks on the Atlantic are concerned, and in the issue of the *United States News* which I have before me it is stated that the great problem facing the united nations to-day is to keep the sea lanes open, and that for every two ships now being launched by the united nations, three ships are being sunk by axis submarines. It adds that there has been improvement recently.

I do not want to ask any questions that might in any way tend to endanger the safety of the united nations or Canada. But the other day the senior ranking officer of the navy made a speech in which he pointed out the serious situation on the Atlantic. If that statement be true, the people of Canada should know and realize the condition and the position in which we are. The people of Canada to-day want to know the facts, but only those the revelation of which could be of no assistance to the enemy. Is the minister in a position to-night to tell us whether or not there is an improvement on the Atlantic, whether or not we are winning on the one front where it is necessary to win in order to secure victory on land? I should like him to tell us if he can what expansion, if any, is anticipated in the navy during the coming year. We have heard frequently that the government of Canada has a plan for Canada's part in the war effort. Is that plan the exten-

sion of the army, further expansion in the air force, the extension of the navy or an acceleration of munitions production?

We heard to-day an address eloquent in its terms, inspiring in its viewpoint, telling Canadians what Canadian navy men are doing and the wonderful advances made by our navy. I think all of us are proud of the work that has been done in the expansion of the Canadian navy, proud of the contributions it is making, proud of the acceleration in the service it renders, as the hon. member for Yale (Mr. Stirling) said with the pride that must be felt by a father whose son is in that navy. We are proud of our navy, and we do not want any information that might in any way aid the enemy. But if the situation is bad on the Atlantic, let the people of Canada know it; let them realize what we are up against; for if there is one thing that the people of Canada must have to-day, it is a message challenging them to greater effort, a message from those in authority, a message that has not yet been given. We should know that the challenge we face is of our survival. What are the dangers that we must overcome? What are the sacrifices the people must make individually in order to secure victory? To-day the minister went a long way in giving detailed information. I have refrained from asking some of the questions which the minister has felt free to answer; but without going into any elucidation which could be construed in any way as being of assistance to those who to-day are our enemies, I ask him to let the people know what the situation is and what our responsibilities are, so that we may realize what we are up against and what further responsibilities we must undertake. The men in the factory, the men who produce destroyers and other ships of war, will have a renewed determination if they know the challenge that is before them.

Mr. MACDONALD (Kingston City): My hon. friend has raised a point, I must say, with great fairness and courtesy, and with due regard for the importance of the subject. I could give him an answer now, but I should prefer to wait until to-morrow in order that I may do justice to my hon. friend, to the manner in which he has raised the question, and to the importance of the question itself.

I know the statement to which my hon. friend refers. It was made by the chief of the naval staff a few weeks ago, as to the presence of submarines on our coasts. He expressed the view that this year, submarines might well be found operating in the gulf of St. Lawrence and perhaps in the St. Lawrence river itself. There is no doubt that this is a very distinct possibility. There is no reason why submarines could not get into the gulf of St. Lawrence and operate there. There is every likelihood that they may do so. As I said this afternoon, already they have come within sight of our eastern shores; they have come within sight of the shores of the United States, both east and west, and there is no reason why they may not continue that practice.

As to the general situation on the Atlantic, as I have said I should prefer to give a little thought to such a statement. The Atlantic is a large body of water. The line between eastern Canada and Great Britain is one thing; the coastal lines up and down, north and south, are another. It would be true to say that it is the north and south line, the coastal traffic line, which in the last three months has sustained the most severe attack. More than that I should not care to say at this moment. But to-morrow afternoon, if my hon. friend will grant me that much grace, after a little more preparation, I should like to make a statement.

Mr. HANSELL: Much has been said to-night in respect of the pay and allowances of those in the navy. I do not wish to labour this point, because I understand that to-morrow the minister will bring down a statement which we anticipate will announce at least an increase in the allowances to dependents of those who sail the high seas.

I do not rise to ask a question; I rise to offer a suggestion to the minister. I do not think we should be satisfied if to-morrow the minister's statement gives the dependents of those seamen any less than is given those who are in receipt of allowances as being the dependents of those in the army.

Mr. MACDONALD (Kingston City): Hear, hear; quite right.

Mr. HANSELL: I anticipate that if the minister brings down a statement which shows that there will continue to be a difference in those allowances, a few questions will be asked, and a discussion of the subject will be precipitated. I quite understand that there may be some reason for a difference in pay as between the various ranks in the navy and the comparable ranks in the army. What I have in mind is simply this. I can understand that there may be a difference between the pay of a plasterer and the pay of a carpenter, though they are both engaged in the building and construction industry. But when it comes to the dependents' allowance, I do not see why there should be any difference between the allowance given in respect of the navy and that given in respect of the army. Surely the wife of a seaman eats as much bread as

does the wife of a soldier; surely she wears just as many clothes, so I see no reason for that difference. If, after this statement to-morrow, a difference still exists, I think the minister will have to be prepared to answer this question: What is the determining factor which causes the dependents' allowance in one service to be different from that in another? I want the minister to grasp the point. What is the determining factor which brings about the difference between the dependents' allowance in one service and that in another, since the seaman has a wife and children, the man in the army has a wife and children, the man in the air force has a wife and children, and they are all wives and children. The minister should be prepared to answer that question if the statement he brings down indicates that the allowance to dependents of seamen is to be any less than that to dependents of men in the army.

Mr. MACDONALD (Kingston City): I should like to answer some questions, in the order in which they were asked this afternoon. First there were questions asked by the hon. member for Yale, as to training, the standard of training in the Canadian navy, and whether we are taking in boy seamen, cadets and midshipmen. The answer to these three questions is that at the moment we are not taking in boy seamen or cadets or midshipmen. There is a small number of these men in the Canadian navy, from previous years, but no more are being allowed to enlist for the time being. The hon. member also asked whether naval cadets still went to England for training, as they did in peace time. The answer is no. We believe that our own naval college at Esquimalt will take care of that.

Then my hon. friend asked for a brief description of the training establishments at each coast. I can deal with that matter only in a very general way, but I may tell him that there are barracks at both Halifax and Esquimalt where men are lodged and fed. Unfortunately there is not enough barracks accommodation to take care of all the men, so in the Canadian navy we have some seven thousand men who have to live and eat out of quarters. But we have barracks at these places. We have various training buildings, gunnery schools, torpedo schools, schools wherein submarine detection instruments are studied. We have a signal school now situated at St. Hyacinthe, Quebec. We have one radio direction finding school, where instruction is given in that very important work—and so on—at each coast.

Then, I am asked if the men receive refresher courses before going to ships, such as corvettes. The answer would be, not in all cases. Some men would go right out of their training course, and sign on a corvette.

Mr. STIRLING: That question applied more to the Royal Canadian Naval Reserve. Do we take men from the merchant navy and give them refresher courses?

Mr. MACDONALD (Kingston City): Yes.

Mr. STIRLING: When do they take those refresher courses?

Mr. MACDONALD (Kingston City): Some men might go right in upon entry. A good engineer might go right in. Others might take preliminary training. A very young man might be sent to one of these five or six training schools. But the chief refresher course for any rank would be for the man who had been at sea for a time and who is considered to have special aptitude for gunnery, torpedo work, signalling or anti-submarine work. He would be taken ashore, and perhaps given special training in that type of work.

Then the leader of the Social Credit group (Mr. Blackmore) raised a question as to why we do not endeavour to build up here a navy which would be auxiliary to the Royal Navy. He went on to say that we should be strong and that we must build for the future. I must say I agree very largely with what the hon. member has said. That brings up the point discussed by the hon. member for Vancouver East (Mr. MacInnis), as to disarmament. That subject might hardly come within the scope of this debate, but offhand I would say that disarmament is a splendid thing—if everybody disarms. But it is a ridiculous thing if only a few disarm, and others are allowed to go on arming—as they did in the last ten years. They did go on arming at a furious rate, while countries against whom they were arming did very little but talk about it. World disarmament practised by everybody is excellent. Disarmament practised by a few amounts to something very like suicide for those who disarm.

The hon. member for Davenport (Mr. MacNicol) who, I am sorry to say, is not at the moment in his seat, wanted to know the number of men enlisted from each province. I shall give those figures, and he may get them from *Hansard*. These are the figures for all ranks, up to the end of March. While the figure for Prince Edward Island may seem small, in reality it is probably the best showing of any province, taken on a per capita basis. I believe that applies not only to the navy but to other services as well. The record of that province is equally good with respect

to those services. These are the figures for enlistments:

Prince Edward Island	841
Nova Scotia	3,897
New Brunswick	1,172
Quebec	4,862
Ontario	10,135
Manitoba	2,241
Saskatchewan	1,890
Alberta	2,435
British Columbia	4,480

These figures give a total somewhat different from the 31,000 I mentioned this afternoon, but the figures I gave at that time were round figures. It will be remembered that these are the figures for enlistments, and that among those men, some have been discharged through illness, or for other reasons. The figure I gave this afternoon was the actual strength of the Canadian navy at March 31, 1942.

Recreational facilities at Halifax was another subject mentioned by the hon. member. Some question was raised by the leader of the opposition with respect to the Ajax club. The navy had no official supervision over or association with that club. True, it was a club originally designed for the benefit of ratings of the Royal Navy, and it was later extended to include ratings of the Canadian navy. However, some difficulty arose in connection with the securing of a liquor permit. I had nothing to do with that. The difficulty arose in another place, and the upshot was that the club could not procure a permit. It was not deemed advisable to give it permission to sell liquor. It was located very close to a church, unfortunately, and some objection was taken from that quarter.

I may say, however—and I wish my hon. friend who is honorary president for Ontario of the navy league were here—that the Navy League of Canada has undertaken to do something which I believe will be much better than any club facilities of the ordinary kind could be. They have agreed to take over those splendid athletic grounds in Halifax known as the Wanderers' club grounds. Hon. members representing Halifax will know the location. It is a very beautiful site, with trees growing all around, the whole being surrounded by a high board fence. It has been used for many years as an athletic field for the playing of football, baseball and cricket, and it possesses an excellent running track. It is the intention of the Navy League of Canada to have at that point facilities for sailors, not only to provide them with ordinary canteen facilities for the purchase of cigarettes, and so on, but to provide athletic equipment whereby men coming in from boats may play football, baseball, cricket or bowls, or any of those other sports which should be available to men who have been confined on small ships for long periods of time. I believe that is a most excellent arrangement. I know the grounds well, and I know that the sailors, while there, will be more or less secluded. They will not be on the street; they will not be crowding the sidewalks in any way, and they will have this magnificent opportunity for wholesome sport, and the use of showers, dressing rooms and that sort of thing provided by this magnificent organization.

Mr. HAZEN: Will they have a wet canteen, too?

Mr. MACDONALD (Kingston City): I have no doubt a wet canteen will be there. I do not try to run these things, but from what I hear I would assume there would be a canteen where beer would be provided. I think that covers the matter of recreation at Halifax.

The hon. member for New Westminster (Mr. Reid) raised the question of men who had served in the last war in the naval service being ready to serve now. I may say to him that we shall be delighted to have these men if they are not too old and if they are otherwise fit to serve.

My hon. friend also asked about Japanese boats which had been taken over or bought outright. I think we have some eighteen of these former Japanese fishing vessels in the navy. My hon. friend will understand that the Department of Fisheries has now taken charge of practically all these vessels. Where a small vessel is involved we find it better to buy outright rather than to pay charter prices which in two or three years will amount to the cost of the vessel. We would then have to return the vessel to the owner and probably have to make a lot of repairs in order to restore it to its original condition.

Mr. STIRLING: Who sets the price?

Mr. MACDONALD (Kingston City): In connection with these Japanese vessels there is a board of which Mr. Justice Sidney Smith is chairman. This board controls the whole thing. In the case of ordinary vessels, if the price cannot be agreed upon either for purchase or for charter, there is a board at each coast.

The hon. member for York South (Mr. Noseworthy) raised the question of convoys and the number of ships in convoy that had been lost. I should prefer to leave this question until to-morrow when I deal with the question raised by the hon. member for Lake Centre (Mr. Diefenbaker). It is all part of the same story.

My hon. friend went on to ask whether there was any body of engineers in this country that could take up the question of new mechanical devices or inventions. The only body I know of is the national research council which has an inventions board to consider suggestions which are made or inventions which are offered by inventors or people who consider they have some improvement on an existing device.

In the navy, as in the other two services, men are encouraged to improve things, and they are given certain prizes. I know of a certain young lieutenant who won a prize last year of, I think £10, paid by the British Admiralty for an improvement in one of the gadgets on a ship. I believe it had to do with the machine to bring shells up from the hold of the ship. He improved it in some way, and it was considered worthy of special mention and a gift of £10.

My hon. friend also raised the question of the effect of pay upon morale. I agree entirely with him in that. There is no doubt that if a man is worried about conditions at home, whether his wife and children are being properly looked after, his morale is not as good as it otherwise would be. He spoke of men in factories being allowed to bargain collectively. This may be considered to be a little off the track in this debate, but I may say to him that I agree with him completely. I have always stood for the right of men to bargain collectively. The hon. member for Cape Breton South (Mr. Gillis) will know that four or five years ago the government of Nova Scotia, with which I was then associated, passed a statute giving to labour the right to bargain collectively through unions of their own choice. That law still stands on the statute books of that province. I agree with the hon. member for York South when he says that a labourer is entitled to that right. He is helpless without it, and it should be extended generally throughout the country.

The leader of the opposition (Mr. Hanson) asked if a man could get into the navy without first going into the ranks. He can do that by going to the naval volunteer reserve division in Charlottetown, Saint John, Quebec, Montreal, Toronto or any other centre and seeing the commanding officer of the division. If he is considered suitable, the commanding officer will attach him to the division. He will then appear before a selection board of officers who will consider his fitness to be permanently associated with the navy.

Mr. STIRLING: What educational standard is required in that case?

[Mr. Macdonald (Kingston City).]

Mr. MACDONALD (Kingston City): At least senior matriculation.

Mr. STIRLING: Nothing like as stiff as was required for entry into the Royal Canadian Navy.

Mr. MACDONALD (Kingston City): It is a different type. You mean the cadet entering the Royal Canadian Navy? Yes. I think on the whole it might correspond to that. I think a good matriculant would be able to qualify for the Royal Canadian Navy. It is true that some of the examinations are set in England, and a lot of our boys have trouble because of not having followed the same course of study, but I would think that entry into the Royal Canadian Navy at the age of sixteen or seventeen years—that is about the age a boy gets his senior matriculation—would call for the same general level of education. The hon. member for York South knows more about that than I do, although at one time I did know a good deal about it. I should think that senior matriculation would correspond roughly, although it may be a little off in some subjects from what would be required of an entrant into the Royal Canadian Navy.

Both my hon. friend and the hon. member for Lake Centre (Mr. Diefenbaker) inquired about the future programme of naval training. I intimated that within the next year we hope to add some 12,000 or 13,000 men to the strength of the navy, and also we hope to add not far from 100 ships. I doubt if we can expand very much faster than that. We are going to be faced with the problem to which I referred earlier, that of obtaining trained officers and petty officers. That is the great problem. We can get all the men we need, but it is hard to get officers to command ships of war. Ship commanders require some knowledge of gunnery, some knowledge of torpedo work, some knowledge of signalling, considerable knowledge of navigating, the ability to handle men and to sail a ship. These cannot be obtained overnight. A man must have a certain amount of training on land, and he must have a certain amount of training on the sea. He can get that training only at sea. He cannot be given theoretical training alone. Some of the men who went into the navy in the early days of the war have acquired a wealth and a variety of experience in two and a half years, which in ordinary peace times would take them six or seven years to acquire. They will be a great help to us, but we shall still feel the lack of skilled petty officers and officers. I fear that that will be our greatest problem in the next year or two.

Mr. HAZEN: Is junior matriculation a prerequisite for a rating obtaining a commission?

Mr. MACDONALD (Kingston City): No, not necessarily for a rating who is promoted to a commission. He is considered to have acquired quite a bit of knowledge already. However, that is necessary for a man going straight into a commission.

Mr. STIRLING: The reason why I asked with regard to the training establishments on both coasts is that it is commonly recognized that one of the greatest difficulties is this question of providing the Royal Canadian Navy with the necessary ships' complements. The minister has indicated that there are so many on hand now that they have to live out more or less where they can, and then they have to undertake their training in what training establishments at present exist. Am I not right in believing that there have been one or two fires in establishments of that description, which, of course, must have reduced that quantity of establishments very considerably?

Mr. MACDONALD (Kingston City): I do not think that actual training was much affected. My hon. friend is referring to fires at Halifax. The last fire there was in a hut used for sleeping and messing, so that training facilities were not greatly affected. The fire which occurred about a year ago was in a sort of sleeping-messing hut. I believe there was also a classroom in it, but it was not exclusively devoted to that purpose. It was an old wooden building.

Mr. STIRLING: It was separate from the main barracks?

Mr. MACDONALD (Kingston City): Yes. At Halifax there are well over a hundred buildings of one kind or another. In the whole naval service there are some 500 structures of one kind or another either built, or building, or for which plans are being prepared. Halifax, with well over a hundred, has a greater number than any other place. I do not think these two fires interfered with the actual training. The matter of quarters may have been rather bothersome for a little while.

Mr. STIRLING: The minister referred to St. Hyacinthe as a signal school. Is that the only one, or is there another, a Pacific school? Does he contemplate being able to use St. Hyacinthe for that purpose or is a move in contemplation? If a move is in contemplation does he expect to have to build for that purpose?

Mr. MACDONALD (Kingston City): We do not intend to remain permanently at St. Hyacinthe. We were given the quarters there by the army only out of grace. It is really an army camp, and they have frequently asked us to get out. We have endeavoured to stay on until we had some other place ready, but I understand that the army has a regiment there which wishes to use those quarters as a barracks, and we shall have to get out. A move is contemplated. It is desirable, of course, to have the school on the east coast near a great centre of training, because otherwise you have to be shipping ratings up and down to St. Hyacinthe from Halifax and other ports, and the problem of transportation becomes a very considerable one.

Mr. STIRLING: How many at a time does the minister expect to handle at the signal schools?

Mr. MACDONALD (Kingston City): I believe when the school is going full blast, there will probably be over 1,500, perhaps as many as 2,000, training in signalling. But we have not that number now. The number at St. Hyacinthe at the moment is 1,049.

Mr. STIRLING: Officers and ratings?

Mr. MACDONALD (Kingston City): Officers and ratings. There are 34 officers and 1,015 ratings.

Mr. NOSEWORTHY: Has anything been done to develop a uniform course for the sea cadets?

Mr. MACDONALD (Kingston City): I am glad my hon. friend brought that up. He did so before, and I failed to notice it. I should like to look into it. I think we wrote a letter on that point to the educational services in all the provinces. I am not quite clear as to what they all replied, but I think I can say this. The naval service so far in the matter of cadets has not associated itself so closely with schools as the other two services. I think the great majority of our cadet corps, if not all of them, are made up of schoolboys, and they are in all cases part and parcel of the school life. I do not know that the matter to which my hon. friend refers was of such prime importance to us as it was to either the army or the air force. If my hon. friend will allow me, I will look again into the correspondence with the provinces and make a complete answer later on.

Mr. GRAYDON: Will the minister give us some additional information with respect to the training of the men in the navy? Having in mind that a good deal of the progress and development which have occurred in connection with the training of our army has been the result of close association with the British authorities, can the minister advise the committee to what extent the training of our

naval personnel is proceeding in close collaboration with the British navy? Most of us in Canada have the conviction that the British navy is second to none with respect to its traditions and its achievements all through the years. I believe that the British navy contains officers and men the like of whom the world has never seen in point of real effectiveness on the water. I have no doubt that in Britain the schemes and plans of training of men for the navy are in a highly perfected condition, and I have been wondering whether the Department of National Defence for Naval Services is collaborating with the British naval authorities so that some part of their tremendously important experience is made available to Canadian naval officers and men. I would couple with that an inquiry as to how closely the work of the Canadian navy is joined with that of the British navy in the general war operations at this time. We in Canada are amateurs in naval affairs compared with the seamen of the motherland, and it would seem to me wholly within the realm of common sense that we should seek, wherever possible, to take advantage of the work which has been and is being done by the British government in the development of sea power efficiency, an achievement which, as I have said before, approximates the best that the world has known.

Mr. MACDONALD (Kingston City): I may say to my hon. friend, first, in a general way that there is, of course, the very best of good feeling and the clearest of understanding between the naval officers here and the naval officers in the United Kingdom.

In the second place, a great many of our officers have been trained in the British navy. All senior officers of the rank of captain and above have had experience on British ships, and even some below the rank of captain have done their year or two on British ships of various types—battleships, cruisers and the like. In that way they have acquired close contact with and knowledge of the methods pursued by British officers. Furthermore, we have 1,100 Canadian officers and men now serving with the British navy. Some of these we hope to get back and some we have already got back. They had the advantage of a year or so of serving on British ships of war, and their experience will be very valuable here. As to what is the actual cooperation between the navies, I fancy my hon. friend refers to the disposition of ships on the Atlantic at this time, or something of that sort, rather than the exchange of men.

Mr. GRAYDON: I do not want any intimate details that should not be revealed, but a general idea.

[Mr. Graydon.]

Mr. MACDONALD (Kingston City): Cooperation on the Atlantic is very close as between British and United States ships and our own. The burden of convoying on the Atlantic is shared in about equal proportions by the three countries, Great Britain and the United States doing perhaps a little more because they are bigger and have more ships. But we are doing nearly one-third of the work. I am speaking of convoying now, not of engaging in any great battle with battleships, because we have not the battleships. Our navy is a convoy navy up to the moment, and the distribution of the work on the Atlantic works out roughly at one-third British, one-third United States and perhaps a little less than one-third Canadian.

Mr. GREEN: What is the situation on the Pacific? Is there cooperation there with the United States navy?

Mr. MACDONALD (Kingston City): Yes. Of course, the problem is somewhat different there, but there is close cooperation between naval headquarters on the Pacific coast and the corresponding United States division to the south. In every way there is frequent exchange of signals, intelligence and so on.

Mr. MacINNIS: What kind of armed vessels are used for convoying? I thought the vessels used were larger than anything we have.

Mr. MACDONALD (Kingston City): The common type of vessel used in convoying before the war would be the destroyer, but since the beginning of this war we have developed the corvette, which is cheaper and much easier to build than the destroyer. It has not the speed or the power, but it is a very useful vessel to attack submarines. Even the mine-sweeper, which is very much the same as the corvette in some respects, can be used as an escort ship. Any ship that can carry depth charges and move a little faster than the submarine under water is of some use as an escort for convoys, but I should name the typical escort for convoys as destroyers and corvettes. The great battleship, I suppose, would not be used normally for the escort of convoys unless it was a convoy of exceptional importance, a very large troop convoy, where you wanted a battleship to deal with some other battleship. But if you are not going to deal with battleships but want to hunt submarines, the destroyer and the corvette will do the trick better than the battleship.

Mr. GRAYDON: Is there any scheme of coordination between the work of the air force here and that of the navy, as there has been in so many other countries since the

war began? If one judges the news correctly, the question of air protection in the naval force has reached the position where air protection is practically the most essential part of some of the work the navy has to do. Could the minister tell us what scheme has been adopted between our air force and our navy with respect to any events that may occur in the future which would necessitate close collaboration between the two branches?

Mr. MACDONALD (Kingston City): That is a very interesting question, in answer to which perhaps full details cannot be given in the very nature of things, but I may say this to my hon. friend. Take the east coast where there is a naval establishment and also an air force. There is a very close degree of cooperation. Air patrols go out so many hundred miles over the water daily. Many patrols go out; they report to the naval authorities and naval vessels anything which they see, and that experience in itself is very valuable as a lesson in cooperation. What my hon. friend raises primarily, I think, is the point that has come to the fore so much in recent months, and that is that naval power alone, if attacked by air power, is at a great disadvantage. That, unfortunately for us, has proved only too true in recent months. Torpedo bombers diving down and launching torpedoes which go over the water have proved singularly effective against some of our ships. We have not had that form of attack on our coast. We have not had surface attacks on our coasts, but when it comes I believe the experience which the air force has already gained, and the navy as well, by cooperating with and reporting one to the other, signalling one to the other, and collecting information for their mutual advantage, will be quite valuable.

Mr. DOUGLAS (Weyburn): Have any steps been taken to develop any type of fleet air arm?

Mr. MACDONALD (Kingston City): No, not yet. We have not got that yet.

Mr. HANSON (York-Sunbury): That situation obtains in the United States. Would the minister care to express an opinion—perhaps he would be too modest—as to the advantage of the navy having its own air force, as they have in the United States, compared with following the practice we have of a separate force working in cooperation with the navy? There are two schools of thought about that in the United States, as I have read—and elsewhere too, a colleague of mine suggests. In England I have heard a good deal of murmur, shall I say, on the part of the senior service in the navy that they do not have control of the air force on this patrol work. It is a matter of opinion, I suppose, and I am wondering what the minister's opinion is, if he has formed one. There are two distinct schools of thought about it in the United States and possibly in England. Has Canada developed any thought along that line?

Mr. MACDONALD (Kingston City): I do not know that I have any definite view on that point; I have no aeroplanes in any event. But the British system is, of course, to have an air force, an army and a navy. The navy has some little air force of its own. It has a fleet air arm, and in addition to that there is cooperation between the navy and the regular air force. The United States system does not provide for any separate air force. The army has its own air arm, and so has the navy. There are two views about it. One view is that this new thing, this air force, a new up-and-coming element, should not be checked and held down by the older service, that they should not shackle the new to the old. That view has prevailed in the United States up to the moment, though I cannot say what changes time may bring. I have no definite views on the matter myself. Sometimes one works well, sometimes the other.

Mr. NICHOLSON: Has any thought been given by the minister's department to the question of providing housing for the families of men of the navy? In the United States large appropriations have been set aside for providing suitable houses in locations where large numbers of naval men and officers are stationed. The figures which the minister has placed on the record to-night give some indication of the very serious problem existing in many parts of Canada. For example, he informs us that 10,135 have joined the navy from Ontario, 2,241 from Manitoba, 1,890 from Saskatchewan, 2,425 from Alberta. It naturally follows that men from these inland provinces are going to find themselves at sea eventually, and owing to the very small allowances available hitherto there is not much chance of these men seeing their families very often. I know a critical situation has already developed. Large numbers of people have flocked to Halifax. The Department of Munitions and Supply has assumed responsibility for building temporary houses for people in cities and towns where war industries have been established. In Halifax houses have been built to accommodate people who have gone there for employment in connection with munitions and supply work, but the families of men of the navy are not permitted to occupy these temporary war-time houses. The

Minister of National Defence was asked the other night whether his branch had given consideration to the providing of houses near military establishments, and he stated that so far no such plans had been undertaken. It would seem to me that at this stage, with a navy thirty times larger than Canada had at the commencement of the war, and the very large sums that have been appropriated for naval services, some consideration should be given to what appears to be an essential part of naval activities, that is providing some place for the families of the men and their officers to live.

The figures that the hon. member for Cape Breton South placed before us this evening showed that a wife with three children would be allowed $45 a month. Assuming that she had $20 a month assigned pay, that would provide $65 a month. It is usually taken for granted that not more than 25 per cent of the monthly income should be spent on house rent. Twenty-five per cent of $65 equals $16 and some cents available for house rent. My information is that in Halifax it is impossible to secure any sort of suitable quarters for that amount. It seems to me that since the government so far has not seen fit to permit Wartime Housing Limited to make their houses available for the families of those in the army, the navy and the air force, either these departments must undertake this very essential service, or the necessary changes must be made to permit Wartime Housing Limited to provide a sufficient number of houses in centres to which large migrations have taken place. Is the minister prepared to make a statement as to the consideration that has been given to this question and whether some policy might be outlined?

Mr. MACDONALD (Kingston City): Yes; a great deal of consideration has been given to that problem. For some time the naval authorities at Halifax have been investigating the number of families that are there and in need of housing, or better housing than they have been able to secure up to the moment.

The problem is not very simple; like many of these problems it becomes more and more complex as you get into it. As far as the navy is concerned there are only two points that would trouble it—Halifax and perhaps Esquimalt. Our great concentrations of men are at these points. But the army has, say fifty places in Canada where camps have been set up; the air force has a good many; and at once the question is raised, "Are we to build houses at every place where we have a camp, in order to permit soldiers' families to come there and visit their men?" I think something has to be done for the families of ratings, but I think that must be coupled with this provision, that a soldier who goes to Halifax to get on a ship and perhaps has to wait there a week or two, cannot expect the government to guarantee that he is going to get accommodation for his family at that point. What the Department of Munitions and Supply has done in the case of industrial plants is to say, "These workmen are going to be here continuously up to the end of the war; they have to have their families with them." We may have to say the same thing in the case of workmen in the naval dockyards who are permanently employed there and want to bring their families there. I can see no distinction between the two cases. But I can see a good deal of distinction between that and the case of a sailor who comes to Halifax for a week or two, or perhaps a month, out of the year and wants to have his family there. I think we shall have to say to these people, "No, it is all right for you to come to Halifax, but you cannot expect us to provide a house for your family." In the case of men permanently stationed there, I regard the situation as completely different, and I agree with what my hon. friend said in that respect.

Mr. HAZEN: The hon. member for Lake Centre this evening brought up the matter of the loss of shipping. That is a very important matter. The minister has told us that he will make a statement about it to-morrow. I had intended to refer to it briefly and to ask one or two questions. If the minister will permit me, I will put them on the record. I do not expect him to answer them now. Perhaps he will not consider it advisable to answer them at all, but if he thinks it is not against the public interest to answer them, I hope he will do so when he makes his statement.

The questions have to do with the convoying of ships. If ships travelling along the sea lanes of the Atlantic coast are not convoyed, is the failure to provide convoys for these ships due (1) to lack of cooperation between one defence department and another either here or in the United States? (2) to any lack of cooperation between Canada and the United States? (3) to a shortage of ships in the navy?

Mr. MACDONALD (Kingston City): I think my hon. friend can make a pretty shrewd guess as to which is the correct answer. I should certainly say, as I said before, that when we speak of the Atlantic we must remember that the route from eastern Canada to the United Kingdom is one thing, the north-

south route is another. There is certainly no lack of cooperation between any departments in this country in that regard.

I can answer question No. 1 immediately. As to question No. 2: "Is it due to any lack of cooperation between Canada and the United States?" I should say there is no lack of cooperation between these two countries in that regard. Then as to question No. 3: "Is it due to lack of ships?" I can only say to my hon. friend that he is getting warmer and warmer as he goes along with his questions.

Mr. MacINNIS: A short time ago the minister mentioned naval dock yards and said it might become necessary to provide homes for the workers in those yards. How many dock yards are being operated by the navy department at present, and how many workers are engaged in those yards?

Mr. MACDONALD (Kingston City): It would take me some little time to get the number of men. The main docks, of course, in which the navy is interested, are the dock at Esquimalt; the floating dock at Prince Rupert—of course these docks do not belong to us, but we use them—and the naval dockyard at Halifax. There is also a dock yard at Esquimalt which is ours, in addition to the drydock. Then we are constructing small docks at various points along the eastern coast. They are really marine railways, which can take ships up to 3,000 tons. Perhaps five or six of these are being constructed now. They are really small docks in themselves, for the accommodation of ships from destroyers down, and I think they will prove very useful.

Mr. HANSON (York-Sunbury): Those are principally for cleaning and repairs?

Mr. MACDONALD (Kingston City): Yes, repairs and refits.

Mr. NOSEWORTHY: The minister told us there was no organization within his department for carrying on research into design and construction, or improvements in ships of the navy. Would he tell us by whom and where the ships now being constructed were designed?

Mr. STIRLING: That is very closely akin to a matter about which I was going to ask the minister, if the hon. member will permit me to interrupt. As I understand it, in a general way we have accepted the design and blueprints of the vessels which are being built for us, that is for the navy, by the Department of Munitions and Supply, from the Royal Navy, and those designs are based on the experience they have obtained over the years. When this matter is under discussion with men in the industry, this point has come up again and again. Are we adapting these designs, these working drawings and the materials which are used in the construction, to the facilities that we have at our hand? The question came up with regard to a contract for some boats; I forget the description of them now. The specifications called for copper air tanks, and it was pointed out to me that for the purposes for which these boats are going to be used by the navy, galvanized iron tanks would be just as good, last pretty well as long as the boat itself might be expected to last, and be considerably cheaper, and that the material would be more easily obtained. The same argument applied to the rather expensive use of teak in finishing. Are there not Canadian woods just as good for the purpose? In the case of rowlocks, as another example, on a pinnace, a whaler, or a pulling boat in the Royal Navy, they have had machined rowlocks since away back, but in recent years I believe that in this country we have substituted stamped rowlocks.

These matters would affect not only the economy of the work to be done but also certainly the time which would be occupied therein. This was emphasized in my mind at the time General McNaughton was over here bringing his knowledge of Canadian manufacturing to bear on the contracts which were being carried out in this country. The minister will remember that it was with some pleasure that General McNaughton was able to point out that Great Britain is now becoming more and more interested in changes in design which Canadian engineers and Canadian industry are ready to make so as to adapt the pieces of machinery being made to the method of construction in force on this continent. If that is the case with regard to munitions, using the word in its larger sense, it appears to me that it could well be adapted to the construction of the craft whose design we have taken, I believe in almost every instance, from Great Britain.

Mr. MACDONALD (Kingston City): I may say to the hon. gentleman who asked the question originally that we have not had in this country a constructor branch in the navy; that is, we have not had a branch in which men would be engaged in planning and revising the construction of ships. We are now just beginning the organization of such a branch, under Captain Harrison, and I have

every hope that this branch will expand and become a very useful part of the naval service.

The hon. member for Yale is quite right; up to the present we have had to rely upon the British admiralty for designs; and with the exception of the naval dockyards at Halifax and Esquimalt, where the navy itself might undertake to build whatever small boats it needed, we have followed the British design. Wherever Canadian woods can be substituted for woods that would require to be imported, that is done; but there are cases where that is very difficult. My hon. friend mentioned teak. We have not yet discovered, I am given to understand, a proper substitute for teak, meaning by that a substitute which will embody all the qualities which teak is supposed to possess and which will in every way serve the purpose. I believe that experiments are being carried out all the time. Woods are being tested for this and that, to discover whether they will be suitable as substitutes for mahogany, teak, oak or other kinds of wood that are specified in the British designs. I think that is all I can say in reply to my hon. friend.

Mr. MacINNIS: What is the policy of the minister's department in regard to the transportation of officers and ratings, as between the two railway systems. There are great numbers of naval men travelling at the present time, and I was wondering about the policy of the department with regard to the road over which the men should travel.

Mr. MACDONALD (Kingston City): The regulations I have here state that the railroads are to be used according to the best interests of the naval service. There is always some wrangling between the roads. In the last few days I have had telegrams from one of the railroad brotherhoods saying that there is a hearing taking place before the railway committee, and all that sort of thing. About a year ago the naval service called in representatives of the two roads and said, "Try to agree on some division among yourselves. Agree on a division of territory, or some other division; and let us have your decision." They did agree. Later, some of the senior people of one of the roads said they knew nothing about this agreement. Later still, however, they said, "I guess there was an agreement, and we will accept it."

The agreement worked out so that within a certain territory naval personnel would travel by the Canadian National Railways, and within certain other territory they would travel by the Canadian Pacific Railway. As a matter of fact, the agreement works out so that one railway gets considerably more than the other. However, I cannot go into all the details of the arrangement. One railway says, "We get a little more money, but we have to hand over a good deal of it to the other road. While we sell the tickets, a good deal of travelling is done on the other road." All I can say to my hon. friend is that we have had these two representatives meet with naval officers. They worked out an agreement and signed it and, for the moment, I think we had better let it stand at that.

Mr. MacINNIS: What is the number of naval passengers transported by each road in the last two years, or since the beginning of the war?

Mr. MACDONALD (Kingston City): I cannot give that information at the moment. It would be rather difficult to get, unless a certain year were indicated, say the year 1941. I could give my hon. friend totals, if it would serve any purpose. Last year, in freight, passenger and express receipts the Canadian National Railways got something like $1,250,000 from us, and the Canadian Pacific Railway got something less than $600,000. As I have said, the Canadian National will argue that their business was not profitable, and that they had to give away a lot of this money to the Canadian Pacific. However, they will have to fight that out among themselves. They have agreed to it, and we will let it stand.

Mr. MacINNIS: Did the minister say that the Canadian National got $1,250,000?

Mr. MACDONALD (Kingston City): Approximately that; and the Canadian Pacific got a little less than $600,000.

Mr. HANSON (York-Sunbury): Has the person travelling the opportunity to choose the route, or does he have to go where he is sent?

Mr. MACDONALD (Kingston City): When they are sent on draft they are sent by a certain route, but if they are on leave or travelling alone I believe they would have a choice, and could take either railway.

Mr. BROOKS: It is a pleasure to hear the deserved praise rendered the silent service, as it is often called. We hear very little about the sacrifice made by men in the navy until some tragedy occurs—a ship sinks, or something of that kind.

I should like to ask for some information with respect to recruiting for the navy. In the early stages of the war young men were encouraged at the different training centres throughout Canada to join the navy. In the last year that has not been so, and I know that recruiting for the navy has been more

or less discouraged. Many young men from my part of the country, the maritime provinces, have followed the sea for their livelihood. The hon. member for Queens-Lunenburg (Mr. Kinley) mentioned that point yesterday. These men have a great preference for the navy. They do not feel altogether at home in the artillery, the infantry, or some other branch of the service, and they are disappointed when they are told that there is no opportunity for them to join the navy. In view of the great expansion in our Canadian navy it seems to me that more effort should be made to utilize these young men in that branch of the service. I know the department has been taking younger men from all parts of Canada and sending them to schools. Those young men are given preference over other men who have followed the sea all their lives, as fishermen, and as men engaged in other work along the coasts. Is that situation improved, or is there any possibility of improvement?

Mr. POTTIER: A few minutes ago the minister gave the number of enlistments by provinces. Could he now give the number of applications by provinces?

Mr. SENN: In the course of his remarks this afternoon the minister described how young men who contemplate going into an official part of the navy were educated, and the courses they have to follow. Would he state if there is a waiting list of those young men, and how they are chosen from time to time? I know of one or two cases which have been on the waiting lists for some time.

Mr. MACDONALD (Kingston City): Is the hon. member referring to officers?

Mr. SENN: Yes, officers.

Mr. MACDONALD (Kingston City): There is a very considerable waiting list for officers and men. There are probably 4,000 or 5,000 men whose applications are on file but who have not yet been taken into the navy. The list remains constantly about that figure. Some of those who applied a year ago or six months ago may be in by now. Their places on the waiting list are taken by more recent applicants. Therefore there is that waiting list of 4,000 or 5,000 men waiting to get into the navy.

The same is true with respect to officers. Selection boards which go around the country inform me that if they want thirty officers, usually about 100 apply. It is useless to take more than are needed. The result is that the other seventy have to wait, and take their chances when the next board comes round in a few months. Of course, the seventy may go in as ratings. It is absolutely impossible to take into the navy all who apply.

Mark you, Mr. Chairman, the hon. member for Royal has said that a year ago men were encouraged to go into the navy. However, as far as I know, the navy has never spent five cents on recruiting. I have seen posters showing a picture of an army soldier, an airman and a naval rating; but so far as I know, we have never spent anything on recruiting literature, posters, advertisements or anything of that kind. Still, the number of men is there. We just cannot handle them; that is all.

Nova Scotia has given us about 3,900 naval recruits. That is a very large proportion, larger, I believe, than that of any other province with the exception of Prince Edward Island, where the proportion is slightly higher. That is a much higher proportion than has been given by any other place. A good many of these men have been bred to the sea and have found their way into the navy. Saskatchewan has a greater population than Nova Scotia, and we have had some 1,890 men from there, something less than half the Nova Scotia figure. That is no reflection upon Saskatchewan because it has probably given more men to the army. But it would be a great mistake to confine naval recruiting to the eastern and western shores of this country. Recruits from the prairies make excellent seamen. Their physique is good, and there are really many things to be done on a ship besides sailing it. There is gunnery, torpedo work, signalling work, anti-submarine detection, radio work and mechanical work of all kinds. There is a place on a ship for a man who is accustomed to mechanical work. The navy tries to get men from every province of Canada, but inevitably it will draw more men from the provinces by the sea.

Mr. SENN: I was not clear as to the explanation the minster made with regard to those who wanted to become officers. I think he made some reference to the fact that the younger applicants might take the place of the older ones.

Mr. MACDONALD (Kingston City): I said that there was a waiting list of between three and four thousand men, and a man who has been on the list for six months might finally get into the ranks as a rating. But that does not diminish the waiting list, because we find that for every man we take on there is another fellow outside waiting to get on the waiting list. It is the same with officers. I think we could take in three officers tomorrow for every one for whom we have room. That is the way it runs; if you want ten, thirty are there waiting.

Mr. DOUGLAS (Weyburn): The hon. member for Peel (Mr. Graydon) raised an

interesting question with reference to co-operation between the navy and the air force on the coasts. Could the minister carry his answer a step further and give us some information with reference to the coordination of services on the coasts. Of necessity the navy is primarily concerned with seeing that convoys get safely across the ocean, but there is another task within their jurisdiction, the defence of Canadian shores. In the last few months another stage in the war has developed. There is now the possibility of fairly large surface ships approaching Canada, not so much with the idea of invasion as with the idea of shelling naval installations or even landing marine parties to destroy radio equipment, dock yards and so on. A military commander has been appointed for each of the coasts, and last week the Minister of National Defence (Mr. Ralston) explained something of the co-operation that exists between the military command and the air force.

Would the Minister of National Defence for Naval Services explain how the navy fits into this picture? Will the naval patrol vessels—I suppose torpedo boats would be mainly used against surface craft—come directly under command of the military commander responsible for the defence of the coast, or is there merely some cooperation? The minister said before that there was always cooperation. Naturally we would expect that, but more and more the lesson that this war seems to be teaching the united nations is that in many instances coordination is not enough, that in modern warfare the different arms of the service must be synchronized with the command under one individual when there is a specific task in mind. Could the minister tell us how the naval forces on the coasts tie in with the military command?

Mr. MACDONALD (Kingston City): I should like to think over that question until to-morrow. I may say that General Elkins is in command of the east coast. He is the senior commanding officer there, in complete command of the Atlantic area.

Mr. DOUGLAS (Weyburn): Of all services?

Mr. MACDONALD (Kingston City): Yes. He is recognized as the man responsible for that area. General Alexander is in command on the west coast. That means complete command, but I do not think in either case the general would undertake to dispose of ships. My hon. friend will realize that the best work a ship can do is out at sea, not in harbour. If it is going to fight, it should fight well out, and that is where most of our ships are. General Elkins probably would not have many ships even if he were given command of all the ships in the harbour. They are out on the sea, half way across the Atlantic or all the way across the Atlantic, and they will fight out there if they see anything to fight. So the question of wheher General Elkins is in command of the naval forces at Halifax is not a vital matter. But there is complete cooperation, and I believe there was complete cooperation before we had a unified command. They exchanged signals and information, and they have a combined operations room where maps are available and upon which the disposition of the forces are shown. The association is most harmonious and, on the whole, very satisfactory.

Mr. DOUGLAS (Weyburn): I appreciate what the minister says with reference to ships. Naturally they do most of their fighting at sea, but I notice that in the defence of Bataan, General MacArthur used a number of small torpedo boats, what the British call E boats, in resisting surface craft. These boats made sudden dashes out of harbour and used other similar tactics. These torpedo boats were placed completely at the disposal of General MacArthur. If he decided that an attack should be made to synchronize with some other operation, he had the placing of the naval forces at his disposal. I am not asking the minister to discuss what strategy they have in mind, but I presume that something of that sort would be worked out in Canada and that the two men in charge of our coasts would be given the disposal of such naval ships as were available.

I have one or two other questions I should like to ask the minister. If he is not able to answer them now, he can give me the information to-morrow. The minister mentioned a sum of $21,000,000 odd which was being asked for building. What portion of this amount is to be used for the erection of new buildings and what portion for the purchase of buildings? Then the minister mentioned some twenty-four yachts which had been obtained. I presume that these were pleasure yachts, and I should like to have some idea from whom they were purchased and what prices were paid.

Mr. MACDONALD (Kingston City): I cannot give the exact particulars, because as a matter of fact the transactions occurred some two and a half years ago. The yachts were purchased from various persons in Canada and the United States in the latter days of 1939 and the early days of 1940. I believe in practically every case they were pleasure yachts. They were brought to this country, and necessary changes were made, such as stiffening the decks so that guns could

be mounted. They are used for patrol purposes along the coast. The information must be on the record somewhere. I can get the exact cost of this. I think the question was asked a year or so ago as to the exact amount paid for these yachts.

Mr. DOUGLAS (Weyburn): Were they purchased outright?

Mr. MACDONALD (Kingston City): I understand that all were purchased. The transaction occurred before I came here, and it was carried on by the Department of Munitions and Supply. My distinct recollection is that they were purchased outright from the owners and converted by the department to naval purposes.

My hon. friend asked about the $21,000,000 which were to be used for buildings.

Mr. DOUGLAS (Weyburn): Yes, as to how much of that would be for the erection of new buildings and how much would be for purchasing buildings already erected and for the commissioning of them. I might get the information to-morrow.

Mr. MACDONALD (Kingston City): I shall have to assemble it from one or two places, and it will take a little time.

Mr. HAZEN: With regard to the building which is being erected in Ottawa for this department, could the minister tell us when the department expects to occupy it, whether it is a permanent or temporary building, how many employees it is expected that it will house, the approximate cost, and who is the contractor?

Mr. MACDONALD (Kingston City): The building at Ottawa for naval services is constructed of wood, with a foundation of concrete blocks, so that it is not permanent in the sense that a building of brick or stone would be. It is to cost, roughly, about three quarters of a million dollars. I believe it is being built by the firm of Hill, Clarke and Francis, a well known contracting firm of this neighbourhood. The number of persons employed at headquarters is about 557 officers and ratings, and 1,053 civilian staff; that is, clerks and others who are not in the naval service.

Mr. HAZEN: When do you expect to occupy the building?

Mr. MACDONALD (Kingston City): Well, one hates to make predictions in these days, but my hope is that they will be installed there by August.

Mr. GREEN: There is a question with regard to the dependents of naval men which I should like to have cleared up. On November 14 last, the Minister of Finance outlined his plans for a war allowances adjustment fund from which payments would be made in special cases. That is, if there were more than four children and there were hardships, or in other cases of hardship, this fund could be drawn upon. But in making that statement he said that the navy handled their own dependents' allowances, and I am not clear whether the families of naval men are entitled to get payments from this fund. Incidentally, I should like to wish the minister good luck in his wrestling with the treasury board to-morrow on this question of increasing dependents' allowances. If the ministry had to go out in the ridings and meet these dependents of naval men—and I know of cases where the wife and children of a naval man are living in the same street as the wife and children of an army man, one drawing a larger allowance than the other—they would know that it causes great misgivings, and more than anything else, I believe, has hurt the morale of the men in the navy.

Mr. MACDONALD (Kingston City): Oh, no. The morale is very high.

Mr. GREEN: I admit that, but I think this has been one of their main complaints, and a justifiable complaint.

Mr. MACDONALD (Kingston City): Quite so.

Mr. GREEN: I hope the minister will be successful to-morrow.

Mr. MACDONALD (Kingston City): I thank my hon. friend. I have every hope of being successful. I see some of the treasury board members here, and I know they are impressed with what has been said to-night.

Mr. GREEN: Would the minister answer my question as to whether or not the dependents of naval men can draw on this special fund?

Mr. MACDONALD (Kingston City): We have a representative on the dependents' allowance board, and, while I have never looked into the matter, I have always assumed that they do. But I will make sure.

Mr. GREEN: Could the minister check that up?

Mr. MACDONALD (Kingston City): I will.

Progress reported.

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

Friday, May 8, 1942

The house met at three o'clock.

AIRCRAFT

REPORTED TRANSFER OF CRUMLIN AIRPORT PLANT, LONDON, ONT., TO CANADIAN PACIFIC

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I have just received a telegram from London, Ontario, stating that the press reports that the government-owned aircraft plant at the Crumlin Airport, London, Ontario, now operated by Fleet Aircraft, is to be turned over to the Canadian Pacific Railway to operate. Is this story correct, and if so, why is the Canadian Pacific allowed to add a government-owned aircraft plant to its privately-owned system?

Hon. C. D. HOWE (Minister of Munitions and Supply): I have not been advised of any such change, but the Canadian Pacific Air Services are operating overhaul plants at two or three points. Any well-organized aeroplane company can be called upon in connection with this overhaul work by reason of its skilled personnel. I would not bar the possibility, but I have not heard of the change and I should be surprised if it had taken place.

Mr. COLDWELL: The minister will inquire?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): Is that a government-owned plant or a plant heretofore privately owned?

Mr. HOWE: The plant at London was built by the government as an overhaul plant for planes of the Royal Air Force operating in that section.

LABOUR CONDITIONS

REQUEST OF MIDLAND SHIPYARD WORKERS FOR INVESTIGATION COMMITTEE

On the orders of the day:

Mr. J. W. NOSEWORTHY (York South): I wish to direct a question to the Minister of Labour. Have any steps been taken to set up an investigation committee as requested by Midland shipyard workers on their return to work?

Hon. HUMPHREY MITCHELL (Minister of Labour): No.

[Mr. Macdonald (Kingston City).]

ST. LAWRENCE WATERWAY

INQUIRY AS TO DEVELOPMENTS IN VIEW OF SHORTAGE OF POWER

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): I wish to direct a question to the Prime Minister (Mr. Mackenzie King). In view of the serious shortage of power will the Prime Minister inform the house whether there have been any further developments in the situation regarding the St. Lawrence waterway project—

Some hon. MEMBERS: Order.

Mr. ROSS (St. Paul's): —or whether the government has in contemplation—

Some hon. MEMBERS: Order.

Mr. SPEAKER: That is clearly a question that should be placed on the order paper.

MOBILIZATION ACT

NOTICE OF AMENDING BILL TO APPEAR ON MONDAY'S ROUTINE PROCEEDINGS AND ORDERS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might advise my hon. friend the leader of the opposition and hon. members of the house that the *Votes and Proceedings* of to-day will contain a notice of a bill to amend the National Resources Mobilization Act, and that mention of the bill will appear on the routine proceedings and orders of the day on Monday.

Hon. R. B. HANSON (Leader of the Opposition): May I ask the Prime Minister if that is all? Because according to the news which I have read that is purely a pro forma matter. The government has all the legal power now. What the country wants is something decidedly more than that.

Mr. MACKENZIE KING: My hon. friend speaks without knowing what the bill contains.

Mr. HANSON (York-Sunbury): The question I asked was, is that all, to amend the Mobilization Act?

Mr. MACKENZIE KING: My hon. friend will look at the bill and its contents when it appears before the house and the question can be answered in the regular way.

DEFENCE OF CORREGIDOR

APPRECIATION OF ACHIEVEMENTS OF AMERICAN AND FILIPINO FORCES

On the orders of the day:

Mr. H. R. JACKMAN (Rosedale): I should like to ask the Prime Minister whether

the government of Canada has sent to the people of the United States a message of highest appreciation of and gratitude for the outstanding bravery, tenacity and endurance of the American and Filipino troops in resisting for five months overwhelming Japanese forces in the indomitable defence of Corregidor, and expressing the pride of Canada in being allied with the people of the United States?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Did my hon. friend ask whether we had sent or would send a message?

Mr. JACKMAN: Has the government sent a message such as that to the people of the United States?

Mr. MACKENZIE KING: There has not been a formal message sent to the people of the United States, but through official channels expressions of appreciation of what has been achieved have been given by the government.

SALVAGE

OPERATIONS OF LUNENBURG COUNTY FISHERMEN

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I should like to bring to the attention of the Minister of National War Services an item which appeared in the *Globe and Mail* of May 8, reading as follows:

> Hon. G. E. Romkey, Speaker of the Nova Scotia legislature, said to-day in a letter to a Halifax newspaper that Lunenburg county fishermen have salvaged 10,000 pounds of lard from the sea, but "the powers that be don't want it and we will have the pleasure of towing it out to sea to dump again."

Has the minister any knowledge of this matter?

Hon. J. T. THORSON (Minister of National War Services): No.

Mr. GILLIS: Would he inquire?

Mr. THORSON: Yes.

Mr. J. J. KINLEY (Queens-Lunenburg): As it relates to my riding may I inform the house that considerable salvaging has been done by Nova Scotia fishermen, especially those from my riding. I communicated with the minister regarding this and was advised that the receiver of wrecks is the man who would take charge of these products. I believe that that organization is looking after it now.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, May 7, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Bradette in the chair.

NAVAL SERVICES

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Yesterday there were some questions asked the answers to which I promised to endeavour to bring down to-day. I have some at least of the answers here.

The hon. member for York South (Mr. Noseworthy) asked whether cadet training was uniform in the three services—that was the gist of his question. I have here the syllabus of training issued under the direction of the chief of the general staff. It gives the subjects that are common to the army and air force cadets, and they constitute the great bulk of the subjects. There are a few subjects which are taken by air cadets and not by army cadets, and vice versa. For instance, I find that air cadets give nine hours' study to air frames; naturally the army gives no time to that subject. On the other hand the army gives twenty hours to small arms training, as against only six hours for the air force, and so on. The syllabus of training prepared for the use of sea cadets is considerably different, and I think inevitably so. I find for instance that sea cadets are required to study seamanship, how to sling and lash a hammock, how to lay out bedding, et cetera; the meaning of naval terms, customs of the naval service, bends and hitches, knotting and splicing, rules of the road at sea, the use of the compass and the helm, the use of the lead and line, anchors and cables, and the like. So that there is a great difference between the training of sea cadets and the training of army or air cadets; and on reflection I think it will be seen that it is impossible to have uniformity of training in these three branches as far as cadets are concerned.

Another question asked by several hon. members was in regard to naval pay and allowances. I intimated some time last week that the matter was under consideration by the treasury board, and I think I said again last night that I had been before the treasury board several times, that they were considering the question and were on the point of reaching a decision. I am very happy to announce now that that decision has been

reached, and that from April 1 of this year the dependents' allowances granted to wives and children of men in the naval service will be on a parity with those granted to wives and children of men in the army and air force.

Mr. HANSON (York-Sunbury): So that it would appear that all the criticism directed against the navy in that connection was well founded.

Mr. MACDONALD (Kingston City): I would not say it has been entirely well founded. The navy was better off in some respects than the army, and not so well off in others. We shall have to lower from now on the amount granted to men out of quarters, which will bring it more into line with the army and the air force, and one or two other little adjustments will have to be made. But I think that the present arrangement is, as a whole, more equitable than the former one.

The hon. member for Vancouver South (Mr. Green) asked whether dependents of men in the navy could draw from the war allowances adjustment fund. The answer is yes, they can do so in the same way as the dependents of members of the other armed forces.

A somewhat similar question was asked by the hon. member for Cape Breton South (Mr. Gillis), who put this case: if an ex-army man is in receipt of veteran's allowance and his son joins the navy and gives the father some assigned pay, is the veteran's allowance diminished to the extent of the assigned pay. I am instructed by Colonel Marriott, the secretary of the war veterans' allowance board, that that would not be the case unless the total received by the veteran from the veterans' allowance board and from the son were more than $60 a month. So long as it remains under $60 the veterans' allowance board will not in any way reduce the original grant.

Questions were asked by the hon. member for Lake Centre (Mr. Diefenbaker) and other hon. members with regard to convoys, and I asked that I be given some little time to think over that matter. I have done so, in such time as I have had at my disposal to-day, and I can say first of all that the losses to ships in convoy are generally much less than those to ships out of convoy. I am not speaking of any given day, but taking a period such as a year, we estimate that the losses to ships in convoy run something like one-quarter of the losses to ships out of convoy. The losses on the north Atlantic, the east-west route from these shores to Great Britain, since the beginning of the war, in convoyed ships, still runs less than 1 per cent. I need not give the exact figure, but it is less than 1 per cent for the period of two and a half years. In other words less than 1 per cent of the ships setting out from these shores in convoy have been sunk by enemy action.

Mr. HANSON (York-Sunbury): What is the ratio having regard to the early period of the war and the present period?

Mr. MACDONALD (Kingston City): Does the hon. gentleman mean are the sinkings more serious?

Mr. HANSON (York-Sunbury): Yes, that is really what I mean.

Mr. MACDONALD (Kingston City): I should say that on the east-west route, the ordinary route from this country to Great Britain, the sinkings are not unusually alarming at this time. I do not think they are out of the ordinary. There are heavy sinkings, of course, on the north-south route, as I intimated last night.

Mr. HANSON (York-Sunbury): That is where there are no convoys?

Mr. MACDONALD (Kingston City): Yes. The sinkings there are very heavy, but the percentage I gave previously is about right even for that route. Ships travelling out of convoy and subjected to enemy action we think are four times as vulnerable, or perhaps even more, as ships travelling in convoy.

Mr. McIVOR: The Canadian navy does the convoying?

Mr. MACDONALD (Kingston City): The convoying from here to Britain is done in part by the Canadian navy, in part by the British navy and in part by the United States navy, with the three sharing in about equal measure. Certain sections, of course, are exclusively under the control of the Canadian navy.

Mr. BENCE: I am sure we were all gratified by the announcement made by the minister that adjustments are to be made in the allowances given seamen and their dependents. I wonder if the minister would place the amended scale of allowances on *Hansard*, so that they may be available to all hon. members. When this matter first came up some days ago and I suggested that some adjustment should be made I stated to the Minister of National Defence, whose department was under consideration at the time, that in my opinion the whole matter of the uniformity of dependents' allowances and pay in the various services might well

be gone into. I offer that suggestion to the minister again at this time. Instead of having to equalize rates of pay by means of various amounts payable for subsistence allowances when men are out of barracks, and that sort of thing, the straight rates of pay should be more nearly equal, and the dependents' allowances should be more nearly equal, so that the confusion which now exists in the minds of the public and of the men in the services may be removed, and further so that if the administration should grant the cost of living bonus, which has been so strongly urged by all hon. members of this house, that bonus may be more easily applied, without creating additional confusion.

Mr. MACDONALD (Kingston City): I could not produce at the moment a table showing the new scales of pay, but perhaps the house would permit me to place it on record on Monday.

Mr. MacNICOL: Put it in the *Votes and Proceedings.*

Mr. MACDONALD (Kingston City): Very well. It takes a little time to prepare a new table for all ranks, and the work can only be undertaken to-day.

Mr. DOUGLAS (Weyburn): Perhaps the minister would place it on *Hansard* on Monday, so that it may be generally available. The public do not get the *Votes and Proceedings,* as a rule.

Mr. MACDONALD (Kingston City): Very well.

Mr. COLDWELL: I should like to mention a matter that has not been touched upon as yet. When the subcommittee of the war expenditures committee investigated the methods of handling stores in the various defence departments last summer, we were impressed with the efficiency of the method used by the naval branch. I believe we mentioned that in the report which we submitted to parliament last November. We spent a day in Halifax, where we saw the system in actual operation and had an opportunity of speaking to the men engaged in looking after the stores. I think we all realized that the responsibility of the man in charge of the warehouse containing the stores was very great indeed. Not only did he have several hundred thousand dollars worth of supplies to look after and distribute, but under his care was some of the most confidential and secret apparatus used by the navy. I need not say more about that. But we were astounded to find that the permanent civil servant in charge of those valuable stores and that secret equipment was receiving, I believe, $1,320 a year; and at the time we were there, because for some reason he had been overpaid previously, a deduction of $10 a month was being made from his salary in order to make up that overpayment. This civil servant is a married man with a family, living in Halifax; and, as the minister said the other evening when we were discussing the question of pay, Halifax is not a city in which living is at all inexpensive. We found it difficult to understand why a man in charge of such valuable equipment should be receiving a salary altogether incommensurate with the responsibility which he had to assume. Indeed, we were astonished to find that this civil servant, in that responsible position, was actually receiving less than the men who were doing ordinary, common labour in the warehouse, moving the stores about. Up to the time we presented the report, I understand nothing had been done to rectify the situation. Has the matter been further considered, and has some salary more nearly commensurate with the responsibility been granted to the man in charge of stores at Halifax?

Mr. STIRLING: Could the hon. member say whether or not the man paid rent?

Mr. COLDWELL: Yes; he was a married man with a family, living away from the warehouse, renting his own house.

Mr. HANSON (York-Sunbury): He was not furnished with housing?

Mr. COLDWELL: No.

Mr. ISNOR: I should like to support the representations of the hon. member for Rosetown-Biggar in regard to this matter. I am familiar with the work of the individual mentioned. His name has not been stated, but if he is the man in charge of the stores, I believe he is the same person I have in mind. If I remember correctly, the salary he is receiving is $1,440 and, as has already been stated, he has in his charge many hundreds of thousands of dollars worth of goods. He has been in the employ of the government for a period of about twenty-five years. I am glad to say that since the visit of that committee to Halifax, not because of their representations but because of representations by others, this has been rectified to some extent and that official is now receiving $1,620. I still feel, however, that because of his responsibilities, and because of the efficient manner in which he is conducting his duty, he is far from receiving what he would receive if employed by a private firm in Halifax or any other city.

I wish to pay a word of tribute to the efficient manner in which contracts for stores in general have been administered in the naval dockyard at Halifax. For many years I was closely connected with that work, and was in a position to see the manner in which contracts were let and tenders received. I do not hesitate to say, as I have said to the minister on one occasion, that I cannot see any advantage, so far as the dockyard authorities at Halifax are concerned, in taking away their duties as purchasing and contract agents.

I am very happy to support the suggestion of the hon. member for Rosetown-Biggar that an inquiry be instituted whereby not only that official but many other permanent officials in Halifax may be brought up to salaries in keeping with their duties. In this particular instance two persons were brought into Halifax at greatly increased salaries to carry on the duties of this one official. It was found, however, after a certain period of time that notwithstanding their qualifications and increased salaries they were unable to carry out the duties in as efficient a manner as this permanent official had done. He is now carrying on that work, and I feel in fairness to him that he should receive at least the remuneration of the men from Montreal who were unable to carry out, or apparently did not carry out those duties in as efficient a manner as the present official.

Mr. MACDONALD (Kingston City): Is that Mr. Pitman?

Mr. ISNOR: He is one who is underpaid, and Mr. McNamara is another. I believe the party the hon. member for Rosetown-Biggar had in mind was Mr. "Jock" Matthews.

Mr. MACDONALD (Kingston City): A. A. Matthews?

Mr. ISNOR: No; I believe it is A. J. Matthews.

Mr. MACDONALD (Kingston City): It is likely the same man.

Mr. COLDWELL: I had forgotten what the name was.

Mr. MACDONALD (Kingston City): I have the name of Matthews, but he is down as a clerk, grade 4.

Mr. COLDWELL: The man I had in mind was in charge of the entire main stores at Halifax.

Mr. MACDONALD (Kingston City): The naval stores officer there is Mr. Pitman. He receives a good deal more than the amount mentioned. I believe the amount he now receives is $2,760.

[Mr. Isnor.]

Mr. COLDWELL: I do not think that is the man.

Mr. MACDONALD (Kingston City): Mr. Pitman is receiving that amount now. However, some of those men were undoubtedly underpaid last year, and we have succeeded in getting some adjustments for many of them. This man may have been one.

Mr. ISNOR: There are on record not one but several letters dealing with the dockyards, and I am sure it will be found that representations have been made not on behalf of one but of several who I consider are being underpaid.

Mr. MACDONALD (Kingston City): The hon. member is quite right. He has several times brought this matter to my attention and to the attention, I believe, of the civil service commission. But he knows the problem that has arisen there. It is the old story between the permanent employee, who must advance along a regular scale, on the one hand, and the temporary employee, who comes in only for the duration of the war, on the other. The permanent employee gets certain advantages by way of pension, and the like, which the temporary employee does not get. He also has the advantage of security as long as he does his work. But there have been some glaring cases where men in permanent positions were called on to do work greatly in excess of what they would normally do, and we have adjusted some of those cases. If I had the name of the particular person—

Mr. COLDWELL: I believe the name was Pitman.

Mr. MACDONALD (Kingston City): He is the stores officer, and is now receiving a salary of $2,760. So he is better off than he was last summer.

Mr. HANSON (York-Sunbury): In view of something said by the hon. member for Halifax (Mr. Isnor) about changing conditions with respect to stores at Halifax, the bringing in of a man from Montreal and the interposition of the Department of Munitions and Supply, would the minister tell us what the position now is? Has there been a change in the modus operandi? Does the Department of Munitions and Supply now do the buying and the receiving? What is the inefficiency hinted at by the hon. member for Halifax?

Mr. ISNOR: Oh, no; pardon me—

Mr. HANSON (York-Sunbury): I may have misconstrued the word used; I thought there was a reference to inefficiency or less efficiency.

Mr. ISNOR: I did not hint at any inefficiency, as far as the stores department at Halifax is concerned. Rather do I point out that there was no inefficiency, and I could not understand the change from the purchasing plan which formerly existed to that which is now conducted by the Department of Munitions and Supply.

Mr. HANSON (York-Sunbury): They do the purchasing now?

Mr. ISNOR: Yes.

Mr. KINLEY: Yesterday the hon. member for Cape Breton South (Mr. Gillis), as reported at page 2236 of *Hansard,* made rather extended remarks with regard to what he considered as confusion with respect to the handling of seamen of the merchant marine. I am glad to see the hon. member's remarks were mostly of a questioning nature; he was looking for information, and was told that the matter came under the Department of Transport.

Representing the constituency of Queens-Lunenburg, where I am in the centre of marine activity, I have considerable local knowledge with regard to the movement and activity of our merchant seamen, whom I regard as perhaps the most important and vital of the men who are performing their duty on the Atlantic at the present time.

The hon. member concluded his remarks on the point in this way:

> I believe someone should take hold of it, and do some organizing. To my mind it is silly to have men, after leaving their boats, drifting from one end of the country to the other, looking for other boats.

I thought yesterday the situation was not such as was portrayed by the hon. member, but I waited until this morning and took up the matter with Captain Arthur Randles who is in charge of this matter. He is a seagoing captain of great experience, one who served on the Cunard line, and a man who should know his job thoroughly. I discovered that this movement of merchant seamen was well organized. The men whom my hon. friend met on the train going to Nova Scotia had been members of a crew of a British ship which was being turned over to another nationality. The crew was brought to the eastern coast, to the manning pool. All our manning pools are within Canada, located in eastern Canadian ports.

Men are brought to the manning pools for several reasons. First, they can be properly controlled and looked after. Second, their health can be checked and treatment given, if necessary. Third, they can be given basic pay while waiting for a ship. A ship may arrive in New York and may be two or three weeks in port if repairs are needed or if the return cargo is not ready or for many other reasons. It would be folly to keep the crew alongside that ship for that length of time. It is considered advisable not to allow a crew to scatter in a foreign port; it is thought better to keep them under control and supervision. Therefore they are brought to the manning pool at the rendezvous, the last port before the ships leave to cross the Atlantic. Many ships come there from United States ports with only part crews, and the complete crew is obtained at the port on the Atlantic coast. It is important that a ship which is to be a part of a convoy should not delay the convoy while getting a crew together. Crews must always be available at this special place, and that is why the merchant marine have established these manning pools on our coast.

The manning pools are operated at considerable expense and are vitally necessary in looking after seamen. I am told that the usual seaman's pay on ships is $100 a month, which is little enough. The pay for oil tankers is more because this work is quite dangerous. I do not want the idea to go abroad, and I do not think the hon. member intended that it should, that seamen were carried from one port to another, leaving no crew available for the ship on which they had arrived. Ships are arriving every day. A ship arriving to-day may expect to be in port three weeks. Its crew can be brought to the rendezvous port where they can be checked up and given a rest or put in hospital, if necessary. When the ship is ready to sail, another crew will be available.

I was glad to hear the minister say that in some cases the pay of our naval ratings and junior naval officers is to be increased. The junior officers felt that they deserved a little better treatment. During the last war a position in the navy was considered a rather comfortable berth. During the last war the Canadian navy was not to such a great extent engaged, and the men of the navy did not have to face the constant dangers faced by the soldiers overseas. But in this war, as the minister says, the navy is having the casualties and is facing the rigours of the north Atlantic in winter, the submarine menace and all the dangers of the sea. The men of the navy are facing great hazards, and they should be rewarded accordingly.

I would remind the committee that many seamen are being taken care of on the eastern

coast. Over 500 shipwrecked seamen have been picked up and cared for within the last couple of months. Hon. members can see that it is a lively place as far as merchant seamen are concerned. So the merchant seamen and the navy deserve the best of treatment from the Canadian people.

Mr. COLDWELL: Was the adjustment to which the minister referred in the case I mentioned due to a reclassification of the man's position, or will it apply to other storerooms across Canada?

Mr. MACDONALD (Kingston City): As far as I understand, Mr. Pitman has not been reclassified. He is a naval stores officer. Reclassifications have been worked out in a great many cases, not merely at the dockyard at Halifax, but also at Esquimalt.

Mr. CASTLEDEN: The minister gave us a break-down yesterday which included $52,720,000 for stores, equipment and supplies, and $34,166,000 for armament stores. Will the minister outline to the committee what machinery the department has to make sure that these supplies are up to standard? In connection with torpedoes and other things supplied to the naval department, is there a representative of the department in the armament factories to make inspections? What percentage of materials purchased during the past year were not up to standard?

Mr. MACDONALD (Kingston City): I could not give my hon. friend specific instances, but I may say that we have inspection officers who go around inspecting the many things we buy. These officers insist that the articles be up to specification. If they are not, and cannot be brought up to the specifications by modification, they are immediately condemned. It would take me some little time to find out just how great this condemnation has been, but I can get the information for my hon. friend.

Mr. CASTLEDEN: Are there inspectors in each armament firm producing materials for the navy, or are inspectors located only in some firms? What is the procedure in connection with the condemnation of materials? Is it sent back to ordnance?

Mr. MACDONALD (Kingston City): I imagine it would not be accepted at all. I am not exactly sure whether we have a man in every little place, but the articles are inspected before we accept them.

Mr. CASTLEDEN: Is there an inspection staff for all this material?

Mr. MACDONALD (Kingston City): Yes.

[Mr. Kinley.]

Mr. CASTLEDEN: Is that part of the British purchasing commission?

Mr. MACDONALD (Kingston City): Our organization is not nearly as large as that of the British purchasing commission which has a tremendous organization spread all over the country. However, in a general way the work is similar. All inspection branches are doing pretty much the same sort of work; they examine the material before it is finally accepted. If it is not according to specification, it is condemned unless it can be brought up to standard by some modification. That is what we do on a smaller scale, compared with the army or the British purchasing commission.

Mr. CASTLEDEN: I have the assurance of the minister that all supplies are inspected by the naval authorities?

Mr. MACDONALD (Kingston City): Yes.

Mr. HANSON (York-Sunbury): Before the present system of purchasing through the department of munitions was set up, and perhaps in the early stages of the war when the purchasing board was operating, I think under Mr. Vaughan, the navy did its own purchasing, as did national defence. Then this new system was established whereby the department requiring supplies and munitions and the like requisitioned the Department of Munitions and Supply. That department makes the contract, fixes the price and so forth, but the inspection is carried on by the department making the requisition. Is that not the procedure? Or is there a double inspection? I would not assume there was, but is there?

Mr. MACDONALD (Kingston City): In many cases there is a double inspection.

Mr. HANSON (York-Sunbury): Suppose shells are required for the navy. They are ordered through the Department of Munitions and Supply on requisition from the navy. Does the navy have an inspection staff in the shell plant, or is the inspection done under the Department of Munitions and Supply? I know there is an inspection because I have seen it, but I just want to know the modus operandi.

Mr. MACDONALD (Kingston City): If you ask me about a given plant, I could not say at the moment whether we have inspectors there or not. Some plants do a very minor form of work, and we might not have an inspector there, but undoubtedly we would have supervision over the manufacture of shells. The branch of our department that is concerned with that work is under the particular charge of Captain Wood. Ships

that were being built for us by the Department of Munitions and Supply would be inspected by the officers of another branch of the Department of Naval Services, who would watch their building, attend their trials, and finally pass upon them as having been properly built, and that inspection service would be in addition to whatever inspection the Department of Munitions and Supply might give.

Mr. HAZEN: How many men have been honourably discharged from the navy, and how many discharged for cause since the beginning of the war? Is a man who is partly disabled let out of the service, or does the department find work for him?

Mr. MACDONALD (Kingston City): The total number of discharges from the navy up to the end of last year was 1,537, and the number discharged as medically unfit, 933. We do provide work, where that is possible, for men who are partly unfit. I do not say that that is always possible, but I know we have one man at headquarters here who lost his leg in service, and he is still in the service, wearing an artificial limb. That is what we would try to do wherever possible.

Mr. HAZEN: To revert to the training of officers, are officers training courses being held at the present time on the Atlantic ocean?

Mr. MACDONALD (Kingston City): Yes.

Mr. HAZEN: Would the minister say where they are being held, the subjects taught in those courses, the length of the courses, and whether those schools will be continued after the college is opened near Esquimalt next autumn?

Mr. MACDONALD (Kingston City): Officers are trained to some extent at each one of the vounteer reserve divisions in Canada, beginning at Charlottetown and going on to Saint John, Quebec, Montreal, and so on. Some of the training of the officers would be undertaken there. The next stage in the officer's training if he is accepted, would be carried on at Halifax in the east or at Esquimalt in the west.

The courses themselves are the regular officers courses including seamanship, navigation, signalling, gunnery and the like. These courses will be carried on after the college at Esquimalt is opened, because that college will have a capacity of only one hundred cadets a year. The entry age is as low as sixteen. By itself that college would not at all begin to fill the needs of the Canadian navy, for officers.

Mr. HAZEN: The Minister of National Defence filed a syllabus of training for the officers under his department. Would the minister put on *Hansard* a copy of the syllabus which the naval officers take?

Mr. MACDONALD (Kingston City): I do not have it here, but I shall be glad to do that on Monday.

Mr. MacNICOL: Referring to the *Spikenard,* I believe that several of the pensonnel of the ship were saved. They were picked up and, I presume, taken to England. What happened after they arrived in England? In such cases are the men placed on other Canadian ships, or are they sent home to Canada?

Mr. MACDONALD (Kingston City): They probably received leave after they got ashore. Three or four of the men went to hospital, I think, and three or four did not need to go to hospital. They would get survivor's leave, as it is called. In that particular case the men would undoubtedly be attached to His Majesty's Canadian depot ship *Niobe* and be placed at the disposal of the officer commanding that ship. No doubt he would place them on some Canadian corvette or destroyer and return them to Canada, or they might be permanently attached to some Canadian corvette or destroyer which stood in need of reinforcements. They would come under the charge of the captain of the *Niobe,* Captain Agnew, and he would look after them.

Mr. MacNICOL: If they are given leave to come home, is their transportation advanced to them, or are they allowed any compensation on their way home?

Mr. MACDONALD (Kingston City): That is not a very easy question to answer. In the case of these particular men, if they were given leave to come home to Canada, I should think they would get passage on a Canadian corvette or destroyer. The practice of paying a man's leave from a foreign country to Canada is one that creates some difficulty, and there is no uniform rule about it in all three services. My hon. friend can see what problems it would lead to if we began to pay the transportation of men in large numbers from England to Canada. It would amount to a very great sum. On the other hand, we feel in the navy that if a ship has to put into a United States port—

Mr. MacNICOL: In this case the ship was sunk.

Mr. MACDONALD (Kingston City): I know, and if my hon. friend is speaking of that, that is another story. I thought he was asking whether transportation is paid to men who are given leave to come home to Canada.

We feel that if a ship puts into a United States port for a long refitting and has to be there for a month, it may be better to have the sailors return to their homes in Canada rather than to be kept in that port. They might not be able to sleep on the ship if the refitting was very extensive and would have to pay for quarters ashore. We consider that we should be allowed to pay their way back to Canada in such a case. The air force has very large bodies of men in Newfoundland; so has the army, and in these services whether transportation should be paid to Canada raises a question of some difficulty.

Mr. MacNICOL: Would the families of those who lost their lives on the *Spikenard* be compensated? If so, what is the scale of compensation?

Mr. MACDONALD (Kingston City): I cannot give the scale of compensation, but it is the regular pension. The minister of pensions can give that. If a sailor is lost at sea his dependents receive exactly the same treatment as the dependents of a man killed on the battlefield, but what the scale may be in any given case I do not know. I have not the table here.

Mr. MacNICOL: I have in mind a son who lost his life at the time the *Spikenard* was sunk. His family asked me if his mother would be allowed any compensation. Before he enlisted he had been one of the supporters of the family.

Mr. MACKENZIE (Vancouver Centre): In that case the pension is not a matter of right but is based upon certain principles, one of which is that he would have been the sole support of his parents if he had been saved and had returned home. The principle in regard to a mother or other dependents, so far as pension is concerned, is entirely different from the principle with relation to widows.

Mr. MacNICOL: Suppose at some future time the mother should become dependent on the public for support. What I want to know is, between now and that time, while not receiving anything, what would be her status? Would she be entitled later on?

Mr. MACKENZIE (Vancouver Centre): If he had contributed to her support before serving in the forces and she was not able to earn her own livelihood, she would be considered eligible.

Mr. HANSON (York-Sunbury): There would have to be the two factors, contribution, and the fact that she depended upon him for support.

[Mr. Macdonald (Kingston City).]

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. HANSON (York-Sunbury): Is there not a third principle, that of expectancy of support in her old age from that son? Is effect given to that?

Mr. MACKENZIE (Vancouver Centre): Yes, my hon. friend is right; there are three principles involved.

Mr. HANSON (York-Sunbury): It is hard to make the third principle work.

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. CASTLEDEN: How many merchant ships have been armed by the navy, or does the navy take that responsibility?

Mr. MACDONALD (Kingston City): I cannot tell the hon. member how many have been armed. The naval department, so far as the arming of merchants ships in Canadian waters is concerned, would supervise that work, would put in the guns and generally provide the crews to operate them. How many ships have been armed, however, it is difficult to say, and perhaps it would not be well for me to state the number even if I had the exact figures. The number is considerable, however.

Mr. CASTLEDEN: Does that equipment belong to the naval department or do the owners of the ship buy their own?

Mr. MACDONALD (Kingston City): We have argued a great deal about that, but we were beaten down finally. We have to provide the equipment, and pay for it, so that it is ours.

Mr. CASTLEDEN: Depth charges?

Mr. MACDONALD (Kingston City): Yes. We began in a small way, doing work for them, and ended by paying for the whole thing.

Mr. DOUGLAS (Weyburn): Do not the ship owners make any reimbursement?

Mr. MACDONALD (Kingston City): I do not think so.

Mr. HOWE: The ship owner attends to the strengthening of the ship. We provide the mountings for the guns. The guns are furnished by the navy.

Mr. DOUGLAS (Weyburn): And the service of the crew for the guns?

Mr. MACDONALD (Kingston City): In a great many cases we supply the crew.

Mr. CASTLEDEN: That is not the complete policy. In some cases the owners of the ship may supply their own equipment?

Mr. MACDONALD (Kingston City): Their own crew?

Mr. CASTLEDEN: Their own equipment; I mean the gun itself. Does the department supply all that?

Mr. MACDONALD (Kingston City): Now we supply the whole thing, the ammunition, the gun, and the men to operate it. There might be some cases dating back from early days when merchant ships had their own gun crews, but nowadays we have a large number of ratings on what are known as defensively equipped merchant ships, which are referred to as Dems. There are a large number of these. In the beginning the merchant ships probably had a few gunners of their own.

Mr. MacNICOL: Where Canadians take part in commando raids on enemy territory, if there is no record of any man who does not return who may have been captured or killed in landing or after landing, does the dependents' allowance stop immediately or is it continued until something definite is found out?

Mr. MACDONALD (Kingston City): I am not quite sure on all the points. If he is missing, his pay goes on for the rest of the month. I think that is the arrangement. When he is presumed killed his widow or dependent, as the case may be, falls under the ordinary pension regulations.

Mr. HANSON (York-Sunbury): Is there an interregnum when she does not get anything?

Mr. MACDONALD (Kingston City): I do not think so. I remember an order was signed recently but I do not recall its exact terms. I believe the man's pay goes on until the end of the month, and once presumption of death arises the pension begins automatically.

Mr. MacNICOL: I ask the question for this reason. In the air force it stops immediately. I have in mind a young man who enlisted in the R.C.A.F. and on reaching England was apparently transferred to the R.A.F. He was there only a short time and was sent to Gibraltar or Malta.

Mr. MACDONALD (Kingston City): That is the R.A.F.?

Mr. MacNICOL: Yes.

Mr. MACDONALD (Kingston City): That is not our service.

Mr. MacNICOL: But he enlisted in the Canadian forces. I will bring the matter up later when the minister for air is before us. This young man was reported missing after an attack on an Italian convoy, and the separation allowance was stopped immediately.

Mr. MACDONALD (Kingston City): That is in the R.A.F. That does not come under the Canadian regulations. We have our own regulations which are different from those.

Mr. MacNICOL: This is probably not the right time to ask how he got out of the R.C.A.F. into the R.A.F. I should like to know whether on going into the R.A.F. he lost all rights that belonged to him under the R.C.A.F.

Mr. MACDONALD (Kingston City): There are many Canadians in the R.A.F. Some are on Canadian rates of pay—most of them, I believe. I thought my hon. friend was referring to a Canadian who had joined the R.A.F., becoming an out-and-out member of it.

Mr. MacNICOL: He was transferred to it.

Mr. MACDONALD (Kingston City): He is probably on R.C.A.F. rates of pay.

Mr. MACDONALD (Halifax): There is an anomaly in the pension law which I can best illustrate by taking the case of a member of the naval service. Our pension legislation now in existence came into effect a year ago in pursuance of a report of a special committee under the chairmanship of the hon. member for Queens (Mr. Macmillan). The effect of the legislation on members of the armed forces was to change the pension law as it stood in 1940 when under the terms of an order in council there was in effect the principle that obtained in the original Pension Act of 1919. The feature of which I wish to speak is the so-called insurance principle, sometimes called the "incurred during service" principle. Under that principle, once a man enlisted the country became responsible for him. There was one exception, misconduct, but subject to misconduct the country in effect took the responsibility of insuring the man so that if any injury occurred to him during service he, or in case of death his dependents, became entitled to pension. But instead of that principle there was adopted what is commonly called the "attributable to service" principle, which meant that the injured man, in the event of disability, or his dependents in the event of his death, had to show that his injury or death arose out of or was directly connected with his military service.

Taking the case of men serving in the Canadian navy, if these men are injured or

killed outside the territorial waters of Canada they or their dependents are entitled to compensation. It does not affect the case whether their injury or death was due to accident or to something that occurred in the course of hostilities. If a man in the Canadian naval service is killed while in Canada his dependents will not necessarily obtain compensation, nor in case of injury will he necessarily be entitled to compensation.

Mr. MACKENZIE (Vancouver Centre): Unless it was a result of service.

Mr. MACDONALD (Halifax): Unless that injury or death arose out of or was connected with his naval service. In other words if a man takes influenza or has appendicitis, unless he can show, which in many cases is impossible, that his influenza or appendicitis was occasioned by his service in the navy, he or his dependents are not entitled to compensation. If he is accidentally killed while out motoring, likewise, unless he was on some work connected with his service, there is no provision for compensation. Of course the same principle is also in effect in the army and the air force.

I suggest that whatever may have been the reasons for this anomaly in our pension law in the past, to-day, under the changed conditions, they no longer apply. The war has spread to the Pacific as well as the Atlantic; enemy submarines operate in our coastal and territorial waters. There seems to be no reason why men in the naval service in Canada should be under a disability or be discriminated against in comparison with members of our naval service serving in England or in the West Indies. The same is true of members of the Canadian air force and members of the Canadian army who, while ready to go overseas, die in consequence of some injury contracted during their service but not directly attributable to their service. All these men should have the same protection that was accorded to men who served in the last war. It is almost impossible for a medical man or for anybody to prove to a medical tribunal that a man's death, occurring say in consequence of appendicitis, was attributable to service. Although his service, however, may not have been the immediate cause, the fatality may have been due to the changed conditions under which he had to live when he became a member of the armed forces. In other words some months after a man joins the army or the navy in perfectly good health, he suffers an attack of illness from some internal condition which, while it cannot be shown to have been directly attributable to service, nevertheless may have been occasioned or brought on by changed diet, changed lodging or changed living conditions.

I know it may be said that there is provision for a compassionate allowance in certain cases, but I submit that is not good enough. Members of the active service force who are injured during service should be entitled to pension if disability occurs during service, not on compassionate grounds, not as a matter of charity or hand-out, but as a reward for valuable service rendered to the country. These men or their dependents should not have to prove necessity in order to qualify for compensation, because if they do, in many cases those who are most deserving would not obtain compensation. Their circumstances might be necessitous, but their pride would preclude them from applying on those grounds.

We were all pleased at the minister's announcement to-day that new naval regulations will bring to parity as far as possible the pay of those in the naval service and that of those in other branches of the armed forces. I suggest to the minister that some attempt be made to take up now the question of the compensation to which members of the naval service, as well as those of the other armed services, should become entitled in the event of disability.

Mr. REID: Would the minister care to tell the committee if corvettes are used in convoy work or for protection against submarines?

Mr. MACDONALD (Kingston City): Well, yes, of course they are used in convoy work very extensively, and have been for nearly two years.

Mr. REID: Has the navy department any extensive programme for the building of corvettes?

Mr. MACDONALD (Kingston City): Yes, quite extensive. We are building them, or having them built for us, all the time. There are some on the ways now, and several will be launched this summer.

Mr. STIRLING: Two nights ago there was an appeal over the radio for machinists and fitters for employment at the Halifax dockyard. I wonder whether the minister could tell us whether he has made it a practice to send requisitions for his requirements to the Department of National War Services. I remember that at the beginning of the war we had the voluntary service employment bureau; then there was the registration of 1940; then the registration in connection with unemployment insurance, and then the census. It has never been clear to me whether the other departments of the government have definitely indented on the

information brought to light by these registrations. I should like the minister to tell me, if he can, that it is a definite practice in his department, when men of a certain class are required, first of all to take everything that is available according to the information brought to light by these registrations.

Mr. MACDONALD (Kingston City): The broadcast to which my hon. friend refers was made by Engineer Captain Stephens, I think.

Mr. STIRLING: It was just read over the air.

Mr. MACDONALD (Kingston City): I did not see the text of the broadcast before it was delivered, and I would not care to attempt to answer the question definitely, as to whether the engineering department consulted the Department of National War Services before making the appeal. I could obtain that information. Unfortunately Captain Stephens has gone to the west coast and will not be back until the first of next week. It would be he who would make the appeal, in connection with shipwrights, artificers and dock yard men; it would be he, I assume, who would investigate labour conditions before making the appeal. I can get from him the information on that point.

Mr. STIRLING: I should be glad if the minister would do so, because I should like to be able to establish the point that it is the custom and policy of one department of the government to keep in close touch with those who have the figures resulting from the registration so that when a need appears it can be filled with reasonable speed.

There is another matter in connection with the dockyards as to which I should like some information. No doubt the dockyards are full of work. Proof of that is to be found in the fact that it has been necessary to send certain refitting and repair work to other places to be done. What are the hours of employment at the Halifax dockyard, for instance? Last fall we found that at Portsmouth there were twenty thousand men employed, working three shifts a day, entirely occupied in outfitting, refitting and doing repair work of a major nature. Certainly work in these three categories is required to be done in our dockyards. I should like the minister to tell us the number employed at the Halifax dockyard in that work, and how many shifts are working each day.

Mr. MACDONALD (Kingston City): I am afraid I cannot tell my hon. friend that we do as well as the Portsmouth dockyard, where he found twenty thousand men working three shifts a day. I do not think we can approach that record. I should like to get specific information on that point, and bring it down on Monday.

Mr. STIRLING: Do we work three shifts?

Mr. MACDONALD (Kingston City): I do not think we do. There may be three shifts in some branches, but there would not be three full shifts at the Halifax dockyard.

Mr. HANSON (York-Sunbury): As a matter of fact, to be perfectly candid, speaking generally there is only one shift a day. Things are tied down at twelve o'clock noon on Saturday and there is no work Saturday afternoon or on Sunday, except in an emergency. There is only one shift a day at Halifax, is there not?

Mr. MACDONALD (Kingston City): I think that statement was made the other day with reference to the Halifax shipyard, which is another matter altogether. I am speaking of the naval dockyard. There are not three full shifts a day. On the other hand I would not want to say that there is not one full shift and other partial shifts. I believe one of the problems there is a shortage of skilled foremen, and that sort of thing; but there are not three full shifts. On the other hand, I think it is a little better than one eight-hour shift; but I should like to get the exact information.

Mr. EMMERSON: Are all repairs required to Canadian ships made in Canada, or do some ships have to be sent outside to be repaired?

Mr. MACDONALD (Kingston City): Some are repaired outside of Canada—in Newfoundland, in Great Britain, and some even in United States ports.

Mr. JACKMAN: Could the minister tell us how many corvettes he is going to add to the Royal Canadian Navy this year?

Mr. MACDONALD (Kingston City): I did not want to give exact figures with regard to any particular ships. I said we now had seventy-five corvettes, more or less, and that this year we would add about a hundred ships, including a good many corvettes. I think that is about as close as I should come to it. A good many of the hundred ships that we hope to add during the next year would be corvettes.

Mr. HANSON (York-Sunbury): In regard to operations in Halifax harbour, is there the fullest cooperation between the naval authorities and the Department of Transport, that is the harbour commission authorities? In particular, what was the cause of the inquiry

in respect of the vessel *Claire Lilley,* recently held before Mr. Justice Archibald, which I believe was a secret inquiry?

Mr. MACDONALD (Kingston City): That was not a naval inquiry.

Mr. HANSON (York-Sunbury): No, it was a judicial inquiry before Mr. Justice Archibald.

Mr. MACDONALD (Kingston City): What was the vessel, a merchant ship?

Mr. HANSON (York-Sunbury): Well, I do not know.

Mr. MACDONALD (Kingston City): I am not sure that it was a warship.

Mr. HANSON (York-Sunbury): No, I would not suppose it was, from the name. I understand that if the full details of that inquiry were given to the public it would reveal very interesting information as to the cooperation or lack of cooperation, one or the other, between the Canadian naval authorities and the pilotage service in and out of Halifax. Although I am not specifically informed, I assume it may have been collision. The inquiry was held in secret, and evidence was taken; but I do not think anything has been said about it. There are a number of other cases about which the public are inquiring. I am mentioning only one at the moment, and I suggest that the minister should get information. Unless there is some violation of a military or naval secret, which would be of advantage to the enemy—and I can scarcely think that would be the case, because it all happened within the harbour limits—he should bring down information, and should tell us exactly what the position is, what action was taken and the result of the inquiry.

I am going to leave it at this, that there is a suggestion that there is not the fullest cooperation between the naval authorities on the one hand and, shall I say, the civil governmental authorities on the other. That has raised a nasty situation, one that is not—well, shall I say creditable—with the result that there is not that degree of efficiency in the harbour that there ought to be. Would the minister bring that information down as fully as possible on Monday?

Mr. MACDONALD (Kingston City): I shall be glad to do that. Offhand I have not heard of the case of the *Claire Lilley,* but I shall find out about it. It might not be in my department at all, but I shall get the fullest possible information.

Mr. BLACK (Yukon): A few days ago an hon. member asked what right non-British countries had to order their nationals domiciled in Canada to undertake compulsory service in their own armed forces. I have had occasion to look up the law on this subject, and to hon. members to whom it might be of interest I would refer them to *Hansard* of May 1, 1941, where the Prime Minister gave a conclusive answer to the same question when asked by the hon. member for Rosetown-Biggar. From that answer it appears that such countries can bring the call for compulsory service to the attention of the nationals, but they cannot exercise any compulsion within Canada in order to induce them to respond to the call. The Prime Minister continued:

> The national of the foreign government can refuse to respond to the call, without incurring any penalties within this country. On the other hand he will not be able to embark on a ship flying the flag of his home country or enter its territories without subjecting himself to prosecution in his own country.

That is the situation.

Mr. MAYHEW: I have had the privilege of visiting Halifax harbour and barracks on only one occasion but, since my home is in the vicinity of Esquimalt, I have been there on many occasions. I have noticed at both points that while there is a large number of civilians working, there is very poor restaurant accommodation. Our men have been asking for better accommodation, and I should like to know if the situation has been remedied.

Another matter which seemed apparent was the congestion within the barracks itself. A number of bunkhouses appeared to be built very close to each other. Is there any real necessity for having these bunkhouses, accommodating a large number of men, built side by side. I believe one of the bunkhouses at Halifax harbour has been destroyed since the time of my visit.

Is there any necessity for having hospitals built within that area? It seems to me we are running an unnecessary risk which could be avoided by spreading out a little more. Additional buildings are being erected at Esquimalt, and in my opinion they are being built too close to the other buildings, having regard to protection of our men.

I believe, too, we have not yet any balloon barrages, or any type of protection which should be above these barracks to protect the men as much as possible.

Mr. MACDONALD (Kingston City): I shall look into these matters. I do not believe it is desirable to have the hospitals out of the general area in which the troops are located. It must be remembered that the problem of discipline and the control of men

is always important. While I agree that the buildings should not be crowded closely together, still I think they should all be within the same general area, for the sake of the better discipline which can be effected in that way.

I shall look into the question of restaurant accommodation for civilians at Esquimalt. The balloon barrage does not come within my department. On the assumption that balloon barrage protection is desirable or necessary in some of the coastal cities, a subject concerning which there is considerable doubt, it would not be the duty of the navy, but rather be that of one of the other forces to provide such barrage.

Mr. McGARRY: I understand considerable ship repairing is being done at the port of Louisburg. Is any repairing being done to naval ships at that port?

Mr. MACDONALD (Kingston City): I do not think any extensive repairs are being done to naval ships. There might be some small or running repairs which could be made there; but there is, as far as I know, no dry dock or marine railway at Louisburg. Consequently only light repairs could be made. However, some merchant ships are putting in there, and it may well be that some naval ships, too, have had minor repairs done. I should hope that that would be the case.

Mr. BROOKS: The minister has told us about the elaborate programme for the construction of naval vessels during the coming year, and about the number of vessels constructed during the past year. All hon. members realize the great need for these vessels, and that they should be built as quickly as possible. I believe the public has been quite concerned in the past year over the great number of labour disputes in Canada. Have these labour disputes in any way materially affected the navy's building programme? I realize, of course, that such disputes come under the Department of Labour, but they also affect our war effort. While we realize that the men should and must receive the proper wages for their labour, we have been quite concerned over sympathetic strikes where large numbers of men go out on strike perhaps because some one man has been dismissed by reason of lack of knowledge of the work he is supposed to perform. How many work hours have been lost on naval construction in the past year on account of such strikes in Canada?

Mr. MACDONALD (Kingston City): I shall try to get that information from the Minister of Munitions and Supply. I wish he were here. I know he intends to be here because he expects to reach some of his expenditures. The hon. member will, however, understand that when we want a ship we specify the kind of ship and have the plans drawn up. Then the Department of Munitions and Supply arranges for the building of it. Consequently the matter of days lost through labour disputes would be one within the knowledge of that department rather than of mine. Of course anything that keeps men away from work for two or three days interferes to that extent with the swift and complete building of the ship.

Mr. HANSON (York-Sunbury): I should like to bring up something which perhaps is within the jurisdiction of the Minister of Munitions and Supply (Mr. Howe). I think the ministry should give some indication of what the position is with regard to labour in the city of Halifax, particularly in respect of the shipyards and the longshoremen. I believe a rather disturbing situation has arisen there. While a discussion of this matter may not be germane to the minister's estimates, it may be of some interest to this country to know that as recently as April 30, 1942, order in council P.C. 3511 was passed on the recommendation of the Minister of Labour (Mr. Mitchell), invoking the provisions of both the War Measures Act and the National Resources Mobilization Act. Under this order in council the longshoremen in the port of Halifax are being regimented, or should I say "conscripted", for the first time. The principle of compulsion has been inaugurated, and the order provides for the imposition of fines and penalties for breaches of the order made by the controller.

I do not know the reason for the enactment of this order in council but I do know that it is the most advanced piece of legislation with respect to labour ever passed by this government by means of order in council with parliament in session and without any reference to parliament. I want hon. members to read this order in council over the week-end and to endeavour to understand its implications. I would refer them to the preamble and to the subject matter as covered by section 3.

Mr. MacINNIS: Is it in the *Canada Gazette*?

Mr. HANSON (York-Sunbury): I do not know; I never see the *Canada Gazette*. I get copies of the orders in council passed under the War Measures Act and I read as many of them as possible. When this one reached my desk yesterday I thought it contained most drastic provisions, and I thought some explanation was due to the house

and the country with respect to the underlying policy. I do not say that the position is not justified, for I do not know what the circumstances are. But I do know that the proposals contained in this order in council are the most drastic with relation to labour that have been enacted since the war began or even before. I direct the attention of hon. gentlemen to section 3 which covers the powers of the controller and to section 12 which covers the modus operandi and the allocation of labour to individuals working in the harbour. This section has eight subsections. Section 13 grants protection to the controller and any person acting for or under his authority and declares, under the authority of the War Measures Act and the Mobilization Act, that the controller or any such person "shall not be liable to any person for anything done or omitted in the exercise or purported exercise of any power or authority from time to time vested in the controller." He is made a czar.

Mr. MacINNIS: That is in most orders now.

Mr. HANSON (York-Sunbury): It is a drastic provision.

Mr. MacINNIS: Oh, yes.

Mr. HANSON (York-Sunbury): Section 14 of the order provides:

All persons, companies, organizations, associations or agencies—

I think that covers the whole gamut of human relations.

—directly or indirectly engaged or concerned in shiploading operations in the port—

Meaning the port of Halifax.

—shall in all matters act upon—

That is the compulsion.

—and in accordance with the directions, orders and decisions given or made by the controller under this order.

The first question that naturally arises is: what was the occasion for the enactment of such drastic legislation? I do not say that the occasion did not warrant the action, because I do not know, but I think it is due to the public that the true position should be made known. We should be told why this order was enacted when the house was in session. Was it necessary to act so quickly that parliament could not be consulted? This is a direct regimentation of labour, mandatory in character, with breaches punishable on summary conviction by fine or imprisonment or both. The provisions with respect to punishment will be found in section 16, which reads:

Any person, company, organization, association or agency as aforesaid who, or which, contravenes or fails to comply with any provision of this order or with any direction, order or decision given or made by the controller under this order shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding $500 or to imprisonment for a term not exceeding three months or to both such fine and such imprisonment.

That may be necessary. I do not know, but I do invite the ministry to tell us why such drastic legislation was enacted by order in council while this house was in session and why the governor in council took upon itself the power to impose fine and imprisonment for a breach of a civil order. Is that to be the policy of the government for the future with regard to labour? I hold no especial brief for labour, but I want to see fair play. Is any other class in the country being dealt with in the same way? Yes, there is. There are other civil provisions in respect of breaches of orders in council which were passed by this government while parliament was in session. There are many of them, but this is the first time that this principle has been applied to organized labour, and the ministry must justify itself. Has organized labour failed in the national emergency? Is it necessary in the public interest that this order should be passed? Let us know the circumstances so that the house and the country may judge. I am not passing judgment on the policy; I am simply questioning the reason for it.

It is our right and duty to call attention to these matters. We should not allow this sort of thing to pass unnoticed. I am not approaching it in a spirit of censure, and I am certainly not approaching it in a spirit of praise. I want to know what the facts are, and I want to approach whatever consideration I give to them with as judicial a mind as I can summon to my support. I invite the minister to tell us the reason why this was done. The Minister of Labour is not at the moment in his seat. He is the sponsor of this thing, but I have no doubt that the demand, if there was such a demand, came from other departments.

So far as I know, organized labour in this country have made their contribution to the war. So far as I understand their position, they are not satisfied with certain things which have been done; they are not satisfied with government policy.

May I pause here for a moment to pay tribute to the work of a man who in the course of a lifetime's performance of duty was suddenly stricken yesterday with illness. I refer to Mr. Tom Moore. I have known him for many years. I am glad to say that I have always found his views with respect to the relations between capital and labour, and the relations of labour with the government, sane

and sound. I regret more than I can say that at this difficult time, in the performance of his duty, in endeavouring to explain matters to those whom he represents, he should have temporarily at least fallen by the wayside. I certainly hope—and in expressing this hope I am sure that it will be the wish of everybody within sound of my voice—that his disability is only temporary.

Labour for the most part, I think, has satisfactorily performed its functions in this difficult war period through which we are passing. There are perhaps exceptions. I have no doubt that there is a left wing in labour, as there is in most bodies, and I certainly have never welcomed certain agents who have come into this country. But that is just in passing.

I think the government owe to this house and certainly to the country an explanation why legislation of this kind is passed by order in council while parliament is in session, legislation confined, if you will, to a narrow basis, to the port of Halifax, and I invite the minister to give us an explanation.

Mr. MACDONALD (Kingston City): I regret that I am not able to comply with the hon. gentleman's request. Matters dealing with longshoremen and labour conditions are matters for the Minister of Labour. I think we should leave them to him to deal with. I believe he could explain the genesis of the order in council, certainly much better than I could. We do not employ longshoremen. If there are naval craft to be attended to, we attend to them ourselves. I do not know whether my colleague the Minister of Munitions and Supply has anything to say about the matter. I think the explanation of the order in council had better be left to the Minister of Labour.

Mr. MacINNIS: Mr. Chairman, in rising to say a word on this matter I should like first to associate myself with the remarks of the leader of the opposition in regard to the sudden illness of Mr. Tom Moore, President of the Trades and Labour Congress of Canada. I have known Mr. Moore for many years and have been associated with him at times in his work, and I join most heartily in the hope expressed by the leader of the opposition that Mr. Moore's illness may be only temporary.

I am glad that the leader of the opposition has raised the question he did because in my own feeble way I have been trying ever since the beginning of the war to impress upon this house and the country that one of the chief obstacles to our war effort has been the refusal of the government to take labour into its confidence and to make it a partner.

When in February last the executive of the trades and labour congress of Canada met certain members of the cabinet to put before them the legislative programme of the congress for this year, the Prime Minister frankly admitted that the government had not cooperated with labour as much as it should have done. But despite that, the government has not changed its policy.

The leader of the opposition has referred to the order in council. I must admit that I have never seen it, and I do not know how the leader of the opposition got it, unless it was sent to him as a special favour or unless he made application to the clerk of the privy council for it.

Mr. HANSON (York-Sunbury): I think all orders in council under the War Measures Act are sent as a matter of courtesy to the leader of the opposition from the registrar of the legislative committee of the cabinet. I am sure I cannot read them all.

Mr. MacINNIS: I hope we shall all get a copy of the order in council at an early date. But let me tell the leader of the opposition and the members of this house that this is not the first order in council of this kind which has been passed since the war began. My hon. friend the member for Royal, I think it was, asked a question in regard to the amount of time lost through strikes. If one considers the non-cooperative policy of the government and the anti-labour policy of Canadian employers, it is amazing how few strikes we have had and how little time has been lost in that way in Canada since the war began. Whenever a little time is lost through a strike we all know about it at once through headlines in the press, but we do not hear of the time that is continually being lost—far more time than is lost by strikes—through lack of proper organization in industrial plants and matters of that kind over which the workers have no control.

Last September, while a number of disputes in shipyards were being heard by conciliation boards appointed by the Department of Labour, that department appointed a royal commission to investigate the shipyards in the provinces of Quebec and Ontario. As I have pointed out before, the members of that royal commission, three lawyers, Mr. MacDonald, of Dalhousie university, Senator Gouin, of Ottawa or Montreal, and Mr. Barlow of Ontario, were appointed without any prior consultation whatsoever with

organized labour. Some time after it was appointed to deal with one or two shipyards, its powers were extended to cover all the shipyards in the provinces of Ontario and Quebec. On November 24 the commission reported to the Minister of Labour recommending an increased wage scale for all the shipyards concerned. This matter was under discussion for some time; then suddenly on January 26 the government, by order in council, on the recommendation of the Minister of Labour, ignored altogether the report of its royal commission and the scale of wages it had recommended, and for the first time in Canada's history, so far as I know, set a wage scale by order in council. Not only did they set the wage scale for certain workers by order in council, but in the same order they gave the Minister of Labour the right to set wages for any category of labour not already mentioned in the schedule attached to the order in council, at whatever rate he might consider fair and reasonable. As I pointed out some time ago, that is doing just the very opposite to what the government at the beginning of the war did by order in council. By order in council P.C. 2685 the government gave its blessing to the principle of collective bargaining; but here, by order in council, it has completely destroyed collective bargaining, because there can be no collective bargaining under an order in council.

If there is anything that is amazing in our whole war effort it is the fact that labour has acted as reasonably as it has done considering the treatment it has received; and undoubtedly the reason that labour has acted as reasonably as it has, is that labour realizes that it has a stake in the winning of this war. There must be some one in the Department of Labour of late, who, whenever a case comes up involving some problem that requires consideration and cooperation with labour, immediately says, "We had better settle it by order in council". There must be someone in the department with considerable influence who takes that attitude. I do not know who the party is but in some way or other that person must be rooted out, or the Minister of Labour will have to take the responsibility for what has been done and is being done in his name. I have not seen the order in council to which the leader of the opposition has referred. I will make it my business to see it as early as I can, and I shall have something further to say about it. This order, I understand, refers to longshore work. I wonder if the Department of Labour has heard what has happened in the old country with regard to longshoremen. Longshoremen to-day are in the service of the government with a stated wage, whether they work or not. That is something that Ernest Bevin won in a dispute in 1921. For a long time it was not given effect to; he had to wait twenty years until he came into office himself before the organization he represented received what they were given by a board set up by the government.

I have mentioned the failure of the government to cooperate with labour. I have in my hand a report by the executive of the trades and labour congress of Canada, of which Mr. Moore is president, on order in council P.C. 8253, the wage-fixing order. In this report the executive states:

> This conference further expresses its regret that any representative of the government should create such a misleading impression in the public mind, that labour had in any manner been a party to the formulation of the policies incorporated in order in council P.C. 8253.

That was in connection with a statement made in a radio address by the former minister of labour that this order had been discussed with organized labour before it was passed. The report goes on:

> At the outset this conference reiterates and wishes to make definite and clear that organized labour throughout the whole of Canada as represented by the trades and labour congress of Canada has pledged its fullest support to the government of Canada in all steps essential to prosecute the war to a successful conclusion to the end that freedom, right and justice shall prevail over the nazi forces of aggression. . . . This declared policy was made in good faith and has been faithfully observed.
>
> It must be pointed out, however, that the unwillingness of the federal government to accept the proffered cooperation of the representatives of organized workers makes it increasingly difficult for them to give effect to that policy.

This is the considered opinion not of a left-wing of the Canadian labour movement, but of conservative responsible officials of the largest labour organization in Canada. Not only that, but they said in connection with the national labour supply council, which has recently been abolished:

> The conference considered that the national labour supply council was not functioning as had been expected,—

But listen to this.

> —but that in many instances it had been used to mislead the public as to the attitude of organized labour respecting the government's labour policies, and in that way the members acting thereon had been placed in a false position. This opinion was expressed in the following resolution which was unanimously adopted:

Whereas the national labour supply council was created by order in council P.C. 2686 of June, 1940, by the present government for the purpose of acting in an advisory capacity regarding matters affecting labour and industry during the war emergency;

And whereas many questions of national importance have been referred to this council for advice, and in many instances, other matters of equal or greater importance have been dealt with in other quarters and the national labour supply council ignored;

Whereas, generally the advice and recommendations of the council have not been accepted by the government or its ministers, which indicates that its services are evidently of no value as further demonstrated by the manner in which order in council P.C. 8253 was enacted.

Therefore be it resolved, that the representatives of the affiliated organizations of the Trades and Labour Congress of Canada herewith request that the order in council under which the national labour supply council was established be revoked.

Could there be a greater condemnation of the government's policy toward organized labour than that resolution? Possibly this is not the time to deal fully with this matter, but that time will come, and I assure this committee that the question of the government's labour policy will be dealt with.

Mr. DOUGLAS (Weyburn): Last night I asked the minister a couple of questions on which he was going to give me information to-day. The first had to do with what steps were taken to unify the command on the two coasts as between the army, air force and naval forces, particularly the naval forces whose task it is to be responsible for the defence of Canada's shores.

The other question was with reference to the $21,000,000 to be spent for buildings.

Mr. MACDONALD (Kingston City): For new buildings the amount is $20,509,000.

Mr. DOUGLAS (Weyburn): Could the minister outline some of the buildings?

Mr. MACDONALD (Kingston City): Naval service headquarters at Ottawa; that is the new building going up here. I think I said last night from memory that the cost would be in the neighbourhood of three-quarters of a million dollars. As a matter of fact it is $890,000.

Others are:

Halifax dockyard	$3,996,000
Halifax barracks	3,606,000
Sydney base	4,469,000
Esquimalt base	78,000
Esquimalt dockyard	1,524,000
Esquimalt barracks	850,000
Royal Roads (that is the site of the new naval college)	535,000
Botwood, Newfoundland, about	730,000
Saint John, N.B., base	635,000

And a large number of smaller sums. There are some twenty to twenty-five projects in all, but I have given the main ones.

Mr. DOUGLAS (Weyburn): Does this amount cover all the buildings to be erected? Are there other buildings put up by the Department of Public Works?

Mr. MACDONALD (Kingston City): This covers all the buildings that we are to erect this year. There are a few buildings to be rented, the rentals amounting, I think, to $166,000. Land to be purchased runs to about $1,250,000, and the whole thing makes up the total of $21,955,000 which I gave last night.

Mr. HANSON (York-Sunbury): What is contemplated at Saint John? Is the estimated cost of $635,000 for new construction? Will there be any land in connection with that?

Mr. MACDONALD (Kingston City): Yes, there is $21,000 for land.

Mr. HOWE: It is a pier at the entrance to the dry dock, in connection with ship repairs.

Mr. HANSON (York-Sunbury): In addition to the present facilities?

Mr. HOWE: Yes.

Mr. MACDONALD (Kingston City): Construction of buildings at Saint John is given at $423,000; purchase of land and buildings, $16,500; rental of lands and buildings, $27,000; carryover from 1941-42, $190,000, making a total of $656,500. The exact detail of the buildings is not given here. It will be in connection with the dock and repair facilities there.

Mr. HANSON (York-Sunbury): I understand from the minister's colleague that there is a new pier near the dry dock or repair facilities now there for the purpose of docking ships in connection with repairs to them.

Mr. HOWE: The extension of, I think, the south bulkhead.

Mr. MACDONALD (Kingston City): The extension of the north and south sides, one of which we pay for and one of which I think the Department of Munitions and Supply pay for.

Mr. HANSON (York-Sunbury): There would not be any land required for that.

Mr. MACDONALD (Kingston City): The pier is very long, I think 700 or 800 feet, in order to enable ships to be taken out of the dry dock quickly without interfering with other ships going in for repairs.

Mr. HANSON (York-Sunbury): Is it of a temporary or permanent nature?

Mr. HOWE: Permanent.

Mr. DOUGLAS (Weyburn): Is the minister prepared to make any statement about the unified command?

Mr. MACDONALD (Kingston City): I have not much to add except that on the east coast General Elkins is in command of the whole area. My hon. friend's question was, I think, particularly directed to whether General Elkins could order ships of the Canadian navy out to sea. In a strict sense he could not do that; I am so informed by the chief of naval staff. I do not know that any army commander would endeavour to designate particular ships, because he is not familiar with the operation of ships. What I fancy might be done would be that the general would say, "I want a combined force of ships, planes and land forces for a certain purpose", and he would ask the naval commander, "what in your judgment would be the correct number of ships and that sort of thing?" That, I imagine, is what General Elkins would do. Strictly speaking, he is in what is called strategic control of the whole coast, but he does not exercise or attempt to exercise powers over the actual disposition of individual ships. That is a matter which is still under the control of the chief of naval staff and the admiral commanding on the Atlantic coast.

Mr. DIEFENBAKER: Mr. Chairman, the leader of the opposition brought up the matter of this order in council, and I think this committee has a right to an explanation from the Minister of Labour in regard to it, because I believe it is just one more step tending to lessen the importance of this parliament in the eyes of the people of Canada. To me this is one of the most unusual of the departures from the ordinary rules of law that have characterized the activities of this government, and I add my protest in support of the stand taken by the leader of the opposition. I protest against the tendency of this government to act with cavalier disregard of and contempt for the rights of parliament. This order in council goes further than any other passed so far. Up to the present time acts of parliament have been suspended, amended in part or in whole, and even abrogated by order in council, and I may add that we on this side of the house have been endeavouring to secure information in regard to the statutes thus affected, but as yet we have been unable to get it, though

the Prime Minister has stated that certain acts of parliament have been effected as indicated.

Under this legislation labour is placed in a position which cannot be justified. I am not one of those who believe in raising class against class, in pointing out the great contribution of labour and at the same time ridiculing the contribution made by the industrialists of this country. Both have contributed to the effort; they have worked in partnership, and I condemn those who would endeavour, in time of war, to secure support for themselves, by pleading for one class as against another or by endeavouring to cast aspersions upon the great industrialists, of whom some are known as dollar-a-year men, who are serving this country fairly and honestly. Labour has done fine work. So have the industrialists. But I do think this piece of legislation is not fair to labour. It reveals a tendency to disregard the rights of individuals engaged in labour which, if not protested against, may well lead to a state of regimentation one does not care to contemplate.

This is the first mobilization by compulsion and by locality. It is limited territorially. The rule of law under which we operate gives every person equality under the law, but this legislation by order in council makes it an offence to do certain things in Halifax, places labour under compulsion in Halifax, while a different law prevails in all the other seaports of Canada. I protest against the principle of an order in council such as this, which is retroactive in part and applicable to only one section of Canada. If it is to be of assistance to the war effort, then make it applicable to all seaports. To make such provisions applicable to only one place; to give any individual the power to control and dictate to labour as to how it shall act, what it shall do, and so on, is a departure from British constitutional principles and a denial of the liberty of the subject. Section 3 of this order in council provides that the controller shall have power and authority—

> —to give directions to, and to make orders, and decisions binding upon, all persons, companies, organizations, associations and agencies engaged or concerned in shiploading or unloading at the port of Halifax with respect to all matters, whether general or special, other than wage rates, affecting working and hiring conditions, practices and methods in connection with shiploading and unloading operations.

Then it goes on and destroys the entire right of the individual to hire as he will. Under the provisions of this order in council men are going to be hired not as individuals but, if I may use the expression, in bulk, for section 12 provides:

The present system of daily hiring of individuals working at the site of the work is hereby abolished and there shall be substituted therefor a new system of hiring which, subject to such alterations as the controller may deem expedient, shall embody the following principles. . . .

Mr. MacNICOL: What controller?

Mr. DIEFENBAKER: A controller set up by the governor in council to control the longshoremen in the city of Halifax. Then it goes on to provide that there shall be set up a central dispatching agency:

The present active working personnel of the port shall be divided into fixed gangs with named gang bosses; longshoremen shall hereafter be hired in gangs and exclusively through the dispatching agency.

Just picture the situation. Only those are to be hired who come exclusively through a dispatching agency set up by the government. This government, which is so fearful of compulsion in so many matters, by order in council has done something which constitutes an invasion of the rights of the individual that in my opinion cannot be justified. When we speak about labour and production—and no doubt we will be hearing more about this—is labour responsible to-day for the decrease in production that has occurred in some parts of Canada? Or is it the lack of governmental organization; is it the bottlenecks which have been created because of the fact that materials are not being received? Members of this house are receiving letters from persons employed in various factories in Canada in which we have been told that men in some war plants have little or no work to do because of the shortage of materials.

Mr. MacNICOL: Only in government operated plants.

Mr. DIEFENBAKER: I am not speaking about government operated plants. I am speaking now of plants engaged in the manufacture of war materials, and I have particularly in mind plants engaged in the manufacture of aeroplanes. We cannot get any direct answer from the government; we are simply told that it cannot be so. I do not believe that statements coming from men working in factories in various parts of Canada that there is no work, or they are working only part time, because of the shortage of materials, would be made unless there is some foundation therefor. I suggest this, that instead of bringing into effect while parliament is in session an order in council which controls the individual and interferes with his rights to such an extent as to render him powerless—instead of introducing legislation like that while parliament is in session, by the backdoor route of an order in council, this government should ask for and would get the cooperation of labour. Canada should be assured that the men engaged in industry and those working in war factories should have the opportunity of contributing to the very limit, by operating a twenty or twenty-four hour day.

The Minister of National Defence for Naval Services to-day said that he needed ships. But he said our factories are not operating full time. I ask the minister what is being done in order to increase the production of ships in Canada. Does the naval department believe there should be wooden ships produced as mine-sweepers, and the like?

Mr. MACDONALD (Kingston City): They are being produced.

Mr. DIEFENBAKER: In Canada? When the minister replies would he say when that production started, to what extent it is being encouraged by the government, and to what extent wooden vessels are being used?

Mr. HOWE: My hon. friend has, if he will forgive me, stepped pretty heavily into my own field of production. I think I should say a few words at this time. I am astonished that a gentleman who only to-day has been demanding conscription, and immediate conscription, objects so seriously to an arrangement which has a certain degree of compulsion as applied to longshoremen at Halifax. In war time the rights of the individual must on occasions be subordinated to the rights of the state.

Mr. DIEFENBAKER: Does the minister say that is conscription of the men in Halifax? Is that what it is?

Mr. HOWE: No. But I say my hon. friend was demanding conscription, and he objects to the orderly feature of compulsion. The position at Halifax is this—and if the Minister of Labour were here he would be the proper man to answer it. A situation arose there that was just as bad for the men themselves as it was for the other interests concerned. The arrangements that were made there were made by mutual consent. In Halifax a tremendous number of boats have to load and unload. The delay of a boat alongside a dock may be just as serious as the loss of one boat. At least the delay of boats for three or four days is as serious as the loss of one boat by submarine sinking.

A situation arose under which too much time was lost in Halifax. I think it was a year ago that by agreement with labour Mr.

Vincent Macdonald was placed in the position of being the arbitrator of all matters of stevedoring. Since that time there has been some improvement, but in recent months we have had crews turn up without key men —certain winchmen and certain labourers who must be with the crew, otherwise the crew cannot function. We have had cases where a crew would turn up, but because of that winchman they would have to be sent home; they could not function. We have had cases where winchmen would turn up, but an insufficient number of labourers would turn up for the crew to function. It was a disorganized state of affairs. Some arrangement had to be made so that we could be sure that when a shift came on it would come on complete, with the proper organization to go to work.

The Minister of Labour went to Halifax and spent some time there consulting longshoremen organizations. He met the longshoremen in mass public meetings, and the result was this order in council. The order in council is an improvement for the men. It insured to the men that when they reported for work in Halifax they would be able to work, and it insured to the ships lying alongside—

Mr. MacNICOL: After reporting for work, if for some reason work was stopped a few hours and the men had nothing to do, they would receive their pay anyway, would they not?

Mr. HOWE: Yes, under this arrangement. A number of concessions were made. The men have always wanted a hiring hall in Halifax. The fact that there were several stevedoring organizations operating there led to the continued lack of a hiring hall. The hiring hall of course helps in the organization and the dispatch of crews.

Mr. MacNICOL: The same as on the railway.

Mr. HOWE: It is not the same as on the railway, but it is the same system as has been working with great satisfaction in Vancouver for a number of years. The arrangements I am sure are much more satisfactory in labour to-day than they were before this order in council was passed.

Mr. MacINNIS: Hitler stated the same thing about what he was doing.

Mr. HOWE: Nevertheless my hon. friends opposite think nothing of conscripting men for the army. Men on the job, when they are under charter, are on pay and under discipline. I know no reason in war time why it is criminal to put key men in industry under discipline, especially if it is done by mutual consent, as this was.

Mr. HANSON (York-Sunbury): Does the minister say this was agreed to by the longshoremen?

Mr. HOWE: Yes, certainly.

Mr. HANSON (York-Sunbury): Does he now state that the policy of the government is to conscript free men for industry in this way?

Mr. HOWE: No; I am talking about a particular situation arranged by mutual consent, and an arrangement concerning which many statements have been made in this house which are wholly uncalled for. It is a policy which is not applied generally; it is applied in a particular place.

Mr. HANSON (York-Sunbury): It is just a beginning, like other steps you take. It is one feeble step at the beginning.

Mr. HOWE: Does my hon. friend object? He is quite convinced, I am sure, that it is quite fair to take certain men and say to them, "You go in the army." Does he say it is unfair to take other men and say, "You must work in industry"?

Mr. HANSON (York-Sunbury): No, I did not say that. But here is a specific case, in a particular area, where men are told they must either go to work or go to gaol.

Mr. HOWE: A man does not need to qualify as a longshoreman unless he wishes to. If he wishes to leave the profession he is free to do it. But as long as he holds a card as a longshoreman, and is paid a longshoreman's rates, and receives recognition by longshoremen, he must accept in every particular the discipline that goes with the work of a longshoreman. If that is conscription, then make the most of it. When a man signs on to work he is subject to the discipline of the job. When he signs on as a longshoreman at Halifax he is subject to the discipline of the longshoreman. There is no law enforcing him, as I see it. He does not have to sign up; if he wishes to quit, he can quit.

Mr. HANSON (York-Sunbury): "Accept it or starve."

Mr. HOWE: Starve! starve!—my hon. friend should apologize for that. Who starves in this country because he does not work on a particular job?

Mr. HANSON (York-Sunbury): I will say this, because that is a challenge—

Mr. HOWE: Quite.

Mr. HANSON (York-Sunbury): I did not wish to engender any heat. But the effect of the policy of this government with respect to a certain class of young men in this country is "get into the army or starve". I have said that in this house more than once, and it is well known to the membership. I put myself in the judgment of the members of this house if that is not a correct statement of the position as a result of the policy of this government with respect to certain of our citizenship. I approached the matter through the front door but the government approached it by the indirect route. The effect of the government's policy is that certain young men must go in the army or starve.

Mr. HOWE: My hon. friend makes the dogmatic statement that certain men must go into the army or starve. There may be one man who has starved.

Mr. HANSON (York-Sunbury): That is beside the point.

Mr. HOWE: You are talking nonsense and you know it.

Mr. HANSON (York-Sunbury): I ask the minister to withdraw that. Am I in the habit of talking nonsense? I place myself in the judgment of the minister. I appeal to him.

Mr. HOWE: Very infrequently.

Mr. HANSON (York-Sunbury): I try to keep my feet on the ground. I try to be fair to the government. I have tried to help this government on many occasions. I tried to help the Minister of National Defence the other night and I am sure he was grateful. I am not sure what is going to happen to me as a result.

Mr. HOWE: Try to help me.

Mr. HANSON (York-Sunbury): Yes, on the proper occasion, of course I will. The minister knows he does not have to appeal to me to do that. My one instinct is to do anything and everything I can to help the war effort. But I tell the minister frankly; I tell this house and I tell the people of Canada that I was shocked when I read the order in council passed in the secrecy of the council chamber and stumbled upon by me. As far as I know, no publicity was given to it in the press of this country.

Mr. MacINNIS: It has not been printed.

Mr. COLDWELL: We could not get a printed copy.

Mr. HANSON (York-Sunbury): It has been mimeographed. You can get a copy.

Mr. COLDWELL: We have a copy now.

Mr. HANSON (York-Sunbury): There may be absolute justification for it. I thought I approached the consideration of this matter with judicial fairness. That was the approach I intended to make. Does the minister say that there exists in the port of Halifax a situation which demanded that this be done?

Mr. MITCHELL: Yes.

Mr. HANSON (York-Sunbury): All right. That is the first question. Was it necessary to put into effect the underlying principle of this order in council because of the attitude of the longshoremen at Halifax?

Mr. MITCHELL: The longshoremen agreed to it.

Mr. HANSON (York-Sunbury): If they agreed to it, why was not the policy of having a round-table conference carried out? Why was not a working arrangement with the men arrived at instead of enunciating the principle contained in this order and making it a criminal act for the men who do not obey it? Why should they be made to submit themselves to the courts of this country as quasi criminals? I simply cannot accept that. It is contrary to my sense of reasoning. It is contrary to common sense. It does not add up. That is why I brought the matter before parliament.

Mr. MITCHELL: It is no different from what they do in Great Britain.

Mr. HANSON (York-Sunbury): That does not excuse us. Have they done it in the United States?

Mr. HOWE: They are not so far into the war in the United States.

Mr. HANSON (York-Sunbury): I cannot reconcile the view that the longshoremen of Halifax accepted this order and knew what they were agreeing to, as the minister suggests. I am not questioning his word, because he should know and I do not. I put my statement in the form of an interrogatory. Did the longshoremen of Halifax know what was going to be in this order in council? I cannot for a moment think they did. Were the terms of the order in council submitted to the longshoremen or to their legal adviser? I assume they had one. Did they properly understand what they were agreeing to?

Mr. MITCHELL: I addressed the owners, and I discussed with the executive board of the union the original, basic order in council. I addressed the longshoremen and we enjoyed ourselves. I have been associated with them all my life; that is, with the rank and

the officials. We discussed the order in council for three hours in a building in the city of Halifax.

Mr. HANSON (York-Sunbury): That does not answer my question. Was the concrete order in council submitted to the counsel for the longshoremen, and did he and they understand it?

Mr. CRERAR: The terms of it were discussed and agreed upon.

Mr. HANSON (York-Sunbury): What does the minister of Mines and Resources know about this?

An hon. MEMBER: What do you know?

Mr. HANSON (York-Sunbury): I am trying to get information. I shall know a lot more about it long before my friend over there does. That interjection was quite uncalled for.

Mr. CRERAR: May I say with great respect to the leader of the opposition that he asked a question. All I know, of course, is the information that was passed along.

Mr. HANSON (York-Sunbury): You have some hearsay information; that is all.

Mr. CRERAR: Not hearsay. I think I can make this comment, that I can claim to know as much about it as the leader of the opposition appears to do.

Mr. HANSON (York-Sunbury): The minister knows what his colleague reported. That is what I would anticipate, and in law that is hearsay evidence. I do not suppose I can make the minister understand what hearsay is technically, but that is what it is to a lawyer. The minister is a layman, and we are dealing with a technical question when we are dealing with the law of evidence. I put it again to the Minister of Labour: Did the longshoremen of Halifax understand the concrete terms of this order in council, and did they understand that for a violation of one of its terms they were submitting themselves to a fine or imprisonment or both?

Mr. MITCHELL: It is a fundamental principle of British law that you cannot have one law for the rich and one law for the poor dealing with—

Mr. HANSON (York-Sunbury): What has that to do with it?

Mr. MITCHELL: Let me finish—dealing with the same subject. This applies both to the shipowners and to the longshoremen. I think it may be stated fairly that in the main the difficulties have been with the shipowners, with the stevedoring companies. You cannot impose a fine on one side and not on the other. This matter was discussed frankly and freely with both sides.

Mr. MacNICOL: The basis of the order in council?

Mr. MITCHELL: The original order in council that laid down the basic principles of this order in council.

Mr. DOUGLAS (Weyburn): Was this one discussed?

Mr. MITCHELL: There was no objection from the longshoremen.

Mr. COLDWELL: Did they know about it?

Mr. MITCHELL: Let the longshoremen speak for themselves. It is fundamental that ships have to be turned round. I went there and saw how they were hiring longshoremen, picking them out like sheep. They were using the system they used fifty years ago. What we have tried to do is to institute a system similar to the one on the Pacific coast. They have hiring halls there, but instead of the hiring halls at Halifax being under the jurisdiction of the employers, they will be under the jurisdiction of the Department of Labour. This is similar to what Mr. Churchill did in connection with a similar situation in Great Britain. As he stated, the safety of the state is paramount. These ships have to be turned round, and it was necessary to reorganize the port of Halifax so that the ships could be turned round. We think this is the first step. The controller, Mr. Vincent Macdonald, has the confidence of the longshoremen, the shipowners and the stevedoring companies. Then we brought a man from Vancouver who has had a great deal of experience in this line on the Pacific coast, and we also had a technical expert, Mr. Green, who organized this system of loading ships by lighter which is being used in the port of Halifax.

Mr. COLDWELL: What is the name of the man from Vancouver?

Mr. MITCHELL: Speaking from memory, Mr. Train.

Mr. MacINNIS: From the employers federation?

Mr. MITCHELL: I would assume so. We have set up an advisory committee, representative of the union and the ship owners, to advise the controller. I think we have been as fair as we possibly can be. Naturally, when you discuss these matters with both employers and employees there is a lot of cross-questioning and some disagreement, but when the thing was finally settled the order in council was approved by the men,

by the shipping federation and by the stevedoring company. After all is said and done, it is something new in this war. We are making a determined effort to turn round the ships that come into the port of Halifax more quickly than they have ever been turned round before.

If certain aspects of the policy do not work out well, we shall have to retrace our steps. But it is something entirely new in the dominion, and I feel—and I said this when I addressed the longshoremen—that it is in their own best interests and in the best interests of industry and of the country. When the thing gets into practical application there may be objections from one side or the other, but I feel sure that this advisory committee, representing both sides, will be able to advise the government of any changes which are necessary in the set-up for the purpose of increasing the tempo of turning round the ships entering the port of Halifax. Anyone who knows Halifax and shipping knows there has been some delay in turning round the ships as quickly as possible. I do not need to tell the members of this house of the tremendous losses of shipping at sea and of the necessity of expediting the loading and unloading of ships travelling the shipping lanes to the old country and other parts of the world in the firing line in order to transport the products of industry and agriculture of the north American continent to where they are vitally needed.

Mr. HANSON (York-Sunbury): There are certain parts of the minister's statement with which I am in agreement. The movement of the ships should be speeded up; nothing should be allowed to impede them; but the minister did not answer my question whether the men knew what they were agreeing to, and whether they knew they were submitting themselves to fine and imprisonment. If the minister will do me the honour to read the remarks which I made when introducing this subject this afternoon, he will see that I approached it from the point of view of interrogation because it seemed to me to be introducing an entirely new principle. The minister himself said that it is a new system but, by the same token, he said they had it in Vancouver—

Mr. MITCHELL: No, I did not say that.

Mr. HANSON (York-Sunbury):—and it seemed to me there was a little inconsistency there. But I may have misunderstood him. I take it that this is the first time in this country that this principle of compulsion with respect to labour has been introduced into our economy?

Mr. HOWE: Not at all. It is in shipping, and always was. A man has to sign articles on joining a ship.

Mr. HANSON (York-Sunbury): That is entirely different. A man signs his articles, goes on board ship and knows that he is amenable to the discipline on board ship. But this is not analogous to that, and the minister will not say so.

Mr. HOWE: I do say so.

Mr. HANSON (York-Sunbury): Then I shall have to differ with the minister, and we do not have very much time to argue it out before six o'clock. I do say this, that when this order in council came to my attention, having read a great many orders in council I decided that this was the introduction of a new principle in our war economy. The minister justified it on more than one ground. First of all he says that it is necessary that the ships which come in and go out of that harbour should be speeded up, and I agree with that. We must do everything to expedite the dispatch of these ships.

But the question I ask the minister, and which I asked before, is this: Is it necessary to resort to this kind of policy at this time at that port, did the men who he says agreed to the underlying principle of this order in council know in fact what they were agreeing to, and were the conditions in the port of Halifax such that it was necessary to resort to a policy of this kind? If the answer to all of these questions is in the affirmative, I have nothing more to say. The minister knows the facts; I do not. But this having come to my attention entitles me, I think, to bring it to the attention of parliament with a view to eliciting the information for which I now ask.

Mr. MACDONALD (Kingston City): The hon. member for Lake Centre asked how many wooden ships were being built in Canada. There are 28 wooden ships of substantial size—I am speaking only of the larger type of ships, not about the smaller boats at all—being built in Canada for the Canadian navy, and in addition there are 24 wooden ships being built for the British navy. These are all wooden ships, minesweepers and of that general class.

My hon. friend the leader of the opposition asked about the expenditure at Saint John, and I gave him the main expenditure in respect of a fitting-out berth on the south side of the dockyard. There are some other expenditures which perhaps he would like to have. An administration building is to be

built at a cost of some $25,000, barracks at a cost of $40,000, and a recreation building at a cost of $7,000.

Mr. HANSON (York-Sunbury): In connection with training purposes?

Mr. MACDONALD (Kingston City): We have at Saint John some 169 naval personnel in addition to the divisional strength.

Mr. HANSON (York-Sunbury): And not much in the way of facilities at the present time.

Mr. MACDONALD (Kingston City): That is right. We are also building a workshop and ordnance store combined at a cost of some $45,000, and then there are some odd amounts for fencing, roads, waters, sewers, and so forth. The main item is for the fitting-out berth at the south side of the dockyard. It is a very long berth; I am not sure whether it is seven or nine hundred feet long.

Mr. HANSON (York-Sunbury): Will these works be built by public tender?

Mr. MACDONALD (Kingston City): Again I must refer my hon. friend to the Minister of Munitions and Supply, who builds the works. I think it is the desire of that department to proceed by public tender as far as possible, but there are cases where that is rather difficult when the work has to be done in a hurry.

Mr. HOWE: It is our policy to proceed by public tender if it is possible to get competitive tenders, but my hon. friend will understand that the construction industry is very busy—

Mr. HANSON (York-Sunbury): Not so busy in New Brunswick.

Mr. HOWE: If it is not busy in New Brunswick I can assure my hon. friend that it will be done by public tender. But sometimes there is only one contractor available to do the work.

Progress reported.

On motion of Mr. Crerar the house adjourned at six p.m.

Monday, May 11, 1942

The house met at three o'clock.

THE MINISTRY

RESIGNATION OF HON. P. J. A. CARDIN—TABLING OF CORRESPONDENCE

Right Hon. W. L. MACKENZIE KING (Prime Minister): I regret to inform the house of the resignation to-day of the Hon. Mr. Cardin as a minister of the crown. The circumstances of Mr. Cardin's resignation and of its acceptance by His Excellency the Governor General will appear from the following correspondence.

On Saturday afternoon, Mr. Cardin personally handed to me the following communication:

Office of the Minister of Public Works
Ottawa, May 9, 1942.

My dear Prime Minister,

As a result of the decision arrived at during the meeting of council yesterday, where I once more expressed my point of view and my reasons for not agreeing with the new policy of the government, I respectfully tender my resignation as Minister of Public Works and Minister of Transport.

I feel that there is no necessity for repeating here the arguments which, I sincerely believe, justify my action. Suffice it to say at present that, as far as Canada is concerned, since the question of the plebiscite was first discussed and since the vote has been taken, nothing has been said nor anything established to indicate that the war situation has rendered necessary, just a few days after the vote, the introduction of a measure containing the principle of compulsory military service for overseas.

The presentation at this time, of an amendment to abrogate clause 3 of the National Mobilization Act is not, in my judgment, in accordance with the attitude taken and the views expressed in the speeches and declarations made soliciting an affirmative vote on the plebiscite.

I desire to express, my dear Prime Minister, my deep appreciation of your personal consideration, goodwill and friendship.

Most sincerely yours,
P. J. Arthur Cardin

The Right Honourable W. L. Mackenzie King,
Prime Minister,
Ottawa.

To Mr. Cardin's letter I made the following reply:

Office of the Prime Minister
Ottawa, May 11, 1942.

My dear Cardin,

In your letter of the 9th instant, which you so kindly handed to me personally, you state that you are tendering your resignation on the ground that you are unable to agree with the new policy of the government. You also give certain arguments which you feel justify your action.

Had the government adopted a new policy, a policy with which you were unable to agree, I could take no exception to your tendering your resignation. Indeed, it would be the only right and proper course for you to take. There has, however, been no change of policy. No new policy has been adopted.

The decision of the cabinet to seek from parliament an amendment to the National Resources Mobilization Act, deleting clause 3 of the act, does not denote any change in government policy. The sole purpose of the proposed amendment is to obtain for the government the freedom of decision and action with respect to the method of raising men for

military service overseas which, in the recent plebiscite, the government itself requested, and which, by a very large majority, the people of Canada have said they desire the government to possess.

The statutory restriction contained in section 3 is the one remaining restriction on the government's freedom of decision and action in all aspects of Canada's war effort. The section was included in the National Resources Mobilization Act at the time the bill was before parliament because of a commitment arising out of promises and pledges from which the government and members of parliament have been released by the results of the recent plebiscite.

As you are aware, the government might have proceeded in this matter by order in council under the War Measures Act. Having regard, however, to its responsibility to parliament, the government has felt that such action as is necessary to bring existing legislation into conformity with the will of the people expressed in the vote on the plebiscite should be taken, not by order in council under the War Measures Act, but by act of parliament. In thus proceeding, the government is, before any amendment to the National Resources Mobilization Act is made, providing members of parliament with the fullest opportunity of considering the effect of every aspect of the amendment.

You will recall that, in my broadcasts, I stressed the fact that, despite the magnificence of Canada's war effort, the quite unfounded impression was being fostered in our own country and among other nations that, because of a restriction upon the powers of the government, Canada's effort was not, and could never be an all-out effort.

I gave the strongest reasons why this false impression, and the injustice being done Canada in the eyes of our own people and in the eyes of the world, should be ended as speedily as possible. In those reasons and in the fact that already it is desirable to extend the scope of service under the National Resources Mobilization Act to other parts of this continent and adjacent islands, you will find, I believe, wherein the war situation has rendered necessary the introduction, without delay, of the proposed amendment to the National Resources Mobilization Act.

In view of the grounds on which you have tendered your resignation, I cannot but feel that you have given to the decision of the government a significance it was never intended to have. I therefore feel that before taking any action on your letter, I should place before you, anew, the situation as I see it. You may feel that, in the light of what I have said, you would care to reconsider the request of your letter. I shall gladly await any further consideration you may wish to give the matter.

With kindest personal regards,

Yours very sincerely,

W. L. Mackenzie King

The Honourable P. J. A. Cardin, M.P.,
Minister of Public Works,
Ottawa.

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The letter I have just read was delivered to Mr. Cardin this morning. Shortly thereafter I received from Mr. Cardin the following reply:

Office of the Minister of Public Works
Ottawa, May 11, 1942.

My dear Prime Minister:

Your communication of this morning with reference to my resignation reached me but a short time ago, and is one more indication of your kindness to me and of your friendship, which I greatly appreciate and thank you for most sincerely.

On perusing the letter, I find, however, that it merely presents anew the arguments, interpretations and viewpoints put forward during the discussion which preceded the decision arrived at in council, on Friday last.

I regret, therefore, my inability to change the views conveyed to you in the letter which I personally handed you on Saturday afternoon.

With the expression of my warmest personal regards, I am, my dear Prime Minister,

Yours very sincerely,

P. J. Arthur Cardin

The Right Honourable W. L. Mackenzie King,
Prime Minister,
Ottawa.

On receiving Mr. Cardin's letter I sent to him the following reply:

Office of the Prime Minister,
Canada

Ottawa, May 11, 1942.

My dear Cardin:

It is with great regret that I have learned of your decision not to withdraw the tender of your resignation. In the circumstances, I have had no alternative but to inform the governor general of the correspondence which has passed between us, and to advise his excellency to accept your resignation. I have now to let you know that your resignation, as a minister of the crown, has been accepted by his excellency.

Since the passing of Lapointe and Dandurand, you have been, in years of association, my oldest colleague in the cabinet. We have been together in parliament for many years. For thirteen of these years we have shared the responsibilities of office. Over all these years, our political and personal associations have been so close and so friendly that the severance of the relationship which your retirement from the government involves, means, I can assure you, not less to myself than I know it does to you.

I thank you for the words of appreciation and personal friendship conveyed in your letter. They are most warmly reciprocated by myself. I wish to thank you in equal measure for your unfailing loyalty and constant and helpful cooperation in the work of the administration, during the years we have shared its tasks together.

May I express the hope that release from the responsibilities and anxieties of office which are so very great at this most critical of all times, may serve further to restore your health and strength from the impairment it suffered some months ago, from which, fortunately, you have steadily recovered.

With renewed expressions of my warmest personal regards and with my best wishes,

Believe me, my dear Cardin,

Yours very sincerely,

W. L. Mackenzie King

The Honourable P. J. A. Cardin, M.P.,
Minister of Public Works,
Ottawa.

Hon. R. B. HANSON (Leader of the Opposition): Before the Prime Minister takes up the next item, will he table the correspondence; and when will he announce the next resignation?

Mr. MACKENZIE KING: I regret to have to take exception to my hon. friend's last remark; I think when he reads it in *Hansard* and reflects upon it no one will regret it more than himself. I shall be pleased to table copies of the correspondence.

THE PLEBISCITE

STATEMENT OF PRIME MINISTER AS TO RESULT OF VOTE

Right Hon. W. L. MACKENZIE KING (Prime Minister): The results of the plebiscite on April 27 are now all but complete. Although final official returns are not yet available, the most reliable figures indicate that on the question asked there were over 2,926,856 persons who voted in the affirmative, and over 1,618,730 persons who voted in the negative; in other words 64 per cent of the voters answered in the affirmative and 36 per cent in the negative.

The total number of votes cast on the plebiscite is an impressive demonstration of the importance which the electors of Canada attach to giving to the government a free hand at a time of war.

The question on which the people of Canada were asked to express an opinion was:

Are you in favour of releasing the government from any obligation arising out of any past commitments restricting the methods of raising men for military service?

By their vote, the people have decisively expressed the view that the government should be released from any such obligation. In other words, there no longer remains any issue which the government or members of parliament, because of past promises or pledges are restricted from considering, discussing and deciding on its merits, in the light of what is best for Canada and for Canada's war effort.

The question in the plebiscite was of equal concern to all citizens of Canada. The result is a national expression of view on a national issue. It should be so viewed in all its aspects. In all of the provinces, and for that matter, in every constituency, affirmative and negative votes were cast. The vote was taken in a democratic fashion. It will be recognized throughout the country that, in a democracy, the will of the majority should prevail.

The vote in the plebiscite shows that the people generally recognize that the war has taken a course which was altogether unforeseen; that conditions wholly unexpected may yet arise, and that, in consequence, there should be no restriction upon the freedom of the government apart from its constitutional responsibility to parliament.

In the plebiscite, the electors were not called upon to vote for or against the government. The result, therefore, is not to be construed as a vote for any political party. In fact, the plebiscite was selected by the government precisely because it afforded the best known means of obtaining an expression of the views of the people on a specific question, regardless of political parties, or party considerations.

As, in some quarters, an effort has been made since the plebiscite to interpret the result as a mandate for conscription for overseas service, it is necessary for me to repeat that, in the plebiscite, conscription was not the issue. The government did not ask the people to say whether or not conscription for overseas service should be adopted. That was not the issue before the people. With respect to the issue of conscription, the result can only rightly be construed as leaving to the government and to parliament entire freedom to deal with that question on its merits.

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT OF SERVICE OVERSEAS

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved for leave to introduce Bill No. 80, to amend the National Resources Mobilization Act, 1940.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, before the Prime Minister proceeds I would ask that you have the Clerk Assistant read the bill in the manner provided for under standing order 42.

(The bill was read by the Acting Clerk Assistant as follows):

An Act to amend the National Resources Mobilization Act, 1940.

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. This Act may be cited as the National Resources Mobilization Act Amendment Act, 1942.

2. Section two of the National Resources Mobilization Act, 1940, chapter thirteen of the statutes of 1940, is amended by striking out in the first line thereof the words "Subject to the provisions of section three hereof."

3. Section three of the said act is repealed and sections four, five and six are renumbered three, four and five respectively.

Mr. MACKENZIE KING: Mr. Speaker, the purpose of the amendment is to give to the government, by the deletion of section 3 of the National Resources Mobilization Act, the same freedom of decision and action with respect to the method of raising men for military services overseas which, in the recent plebiscite the government requested, and which the people of Canada have said they desire the government to possess.

Section 3 contains the one remaining restriction on the government's freedom of decision and action in all aspects of Canada's war effort.

This section was included in the National Resources Mobilization Act, at the time the bill was passed, because of a commitment arising out of promises and pledges from which the government and members of parliament have now been released.

In presenting the issue of the plebiscite to parliament and to the people, I repeatedly stressed the importance of removing any restriction, or even the appearance of any restriction, on the powers of the government to effect a total effort for total war. I pointed out that Canada's war effort was being placed in a false light because of the existence of what appears to be a restriction upon an all-out effort. If the amendment is adopted, Canada's war effort will appear thereafter in its true light; an effort in no way hampered by any moral or legal restrictions. By their vote in the plebiscite, the people have expressed their readiness to have the sole remaining restriction upon the government's freedom and decision of action removed.

The removal of section 3 of the National Resources Mobilization Act is, in other words, the logical consequence of the vote on the plebiscite. Since the people have indicated that they do not desire any restriction on the freedom of action of the government, there is the strongest of reasons why parliament should be asked to remove any shadow of restriction which remains.

In the plebiscite, the people were asked to give full powers to the government, not to meet a then immediate situation, but to provide against a future emergency. The National Resources Mobilization Act is only enabling legislation. The extent of the use of such power as is conferred upon the government by its provisions is and has, from the outset, been a matter of government policy, to be decided in the light of all relevant circumstances. This will remain true of the unrestricted powers which the amendment, if enacted, would afford.

The government might have proceeded in this matter by order in council under the War Measures Act. Having regard, however, to its responsibility to parliament, the government has felt that such action as is necessary to bring existing legislation into conformity with the will of the people expressed in the vote on the plebiscite should be taken, not by order in council under the War Measures Act, but by act of parliament. In thus proceeding, the government is providing members of parliament, before any amendment to the National Resources Mobilization Act is made, with the fullest opportunity of considering the effect of every aspect of the amendment.

Mr. HOMUTH: Then the government takes full responsibility?

Some hon. MEMBERS: Order.

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

Some hon. MEMBERS: Carried.

Mr. POULIOT: On division.

Mr. LACOMBE: On division.

Motion agreed to on division and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 69, to change the name of the Saskatchewan Life Insurance Company to Fidelity Life Assurance Company.—Mr. McNiven (Regina City).

Bill No. 70, for the relief of William Milroy Davidson.—Mr. Bercovitch.

Bill No. 71, for the relief of Audrey Meredith Mann Harrison.—Mr. Bercovitch.

Bill No. 72, for the relief of François Henri Drack.—Mr. Bercovitch.

Bill No. 73, for the relief of Gladys Irene Dale Weston.—Mr. Hazen.

Bill No. 74, for the relief of Ruth Ufland Fishman.—Mr. McIlraith.

Bill No. 75, for the relief of Norma Brown Stevenson.—Mr. Claxton.

Bill No. 76, for the relief of Mary Cummings Bullock.—Mr. Whitman.

Bill No. 77, for the relief of Elizabeth Gertrude De Serre Gould.—Mr. Bercovitch.

Bill No. 78, for the relief of John Clifford Stanley Darbyson.—Mr. Bercovitch.

Bill No. 79, for the relief of Celia Reynolds Schellenberg.—Mr. McIlraith.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

WHEAT ACREAGE REDUCTION BONUS

Mr. HANSELL:

1. On what dates were the amounts paid to the seven persons or companies who received cheques amounting to $5,000 or over for wheat acreage reduction bonus?
2. How many applications were made for wheat acreage reduction bonus?
3. How many applications were paid up to March 31?
4. How many remained at that date, to be paid in each of the provinces?

Mr. GARDINER:

1. Marie Wilson, final payment, October 4, 1941. Canada Permanent Mortgage Company, interim payment, December 29, 1941; final payment, February 27, 1942. G. H. Wesley, interim payment, November 15, 1941. Noble Farms Limited, interim payment, December 29, 1941; final payment, April 14, 1942. J. T. Heninger, interim payment, November 18, 1941; final payment, February 17, 1942. N. Neufeld, interim payment, November 15, 1941; final payment, March 8, 1942. W. Kynock, final payment, October 25, 1941.

2. 186,893 claims.

3. 151,763 fully paid claims, 29,330 partly paid claims.

4. Alberta—8,008 claims; Saskatchewan—16,911 claims; Manitoba—4,411 claims.

DR. RICHARD REDLER

Mr. NICHOLSON:

1. Is Dr. Richard Redler, formerly commissioner of police in Austria, employed by the dominion government?
2. If so, in what capacity?
3. What allowances are paid to him for (a) salary, (b) expenses?

MR. THORSON:

1. Yes.

2. Examiner, Postal Censorship, Post Office Department.

3. (a) $1,560 per annum plus cost of living bonus. (b) None.

[Mr. Lacombe.]

FOOD PRODUCTION—CREDITS TO FARMERS

Mr. MARSHALL:

1. Have any arrangements been made by the dominion government for farmers to obtain, quickly and adequately, credits from banks and other financial institutions, at a low rate of interest so that they can play their part in the essential task of food production in this country?
2. If so, what general arrangements have been made?
3. If not, why not?

Mr. ILSLEY: No special arrangements have been made and no information is available to indicate that credit-worthy farmers cannot obtain adequate credits at reasonable interest rates in order to enable them to play their part in the essential task of food production in this country. The chartered banks are believed to be fully cognizant of the important part agriculture is playing in Canada's war effort and to be granting short-term loans to farmers regularly in the usual course of their business. Long-term and mortgage credit is available through the facilities of the Canadian farm loan board.

GERMAN REPARATIONS—FIRST WORLD WAR

Mr. HANSELL:

1. Were moneys paid to Canada as a result of reparations imposed upon Germany after world war No. 1 put to the account of consolidated revenue fund?
2. If so, how much was paid into this fund from that source?
3. How much of this money, if any, was paid to Canadian prisoners of war in Germany?

Mr. McLARTY:

1. Yes.
2. $26,672,246.06.
3. Total amount of money paid to military prisoners of war for claims allowed, $273,952.47.

EXPORTS TO SWITZERLAND

Mr. MARSHALL:

1. Have any goods been exported to Switzerland since the outbreak of the present war?
2. If so, what is the nature and value of such goods exported for each year commencing with 1939?

Mr. MacKINNON (Edmonton West): In keeping with our established policy, during the war, it is not possible to give the details of exports by countries. (Ninety-five per cent of the exports to Switzerland have been Red Cross supplies, particularly for prisoners of war in enemy territory).

EXPORTS OF LOGS

Mr. REID:

1. Are exportations of fir, cedar, balsam, hemlock and spruce logs still permitted?

2. If so, what have been the respective exportations of these during 1941 and up to the end of April, 1942, and to what countries?

Mr. MacKINNON (Edmonton West):

1. Fir logs—exports at present being curtailed.

Cedar logs—no restriction on exports.

Balsam logs and hemlock logs—under export control but export permits being granted freely from crown grant lands. British Columbia provincial laws prohibit export of all logs from provincial leased and licensed timber except under special dispensation.

Sitka spruce logs—exports not permitted from British Columbia.

Other spruce logs—under export control but export permits being granted freely from crown grant lands. British Columbia provincial laws prohibit export of logs from provincial leased and licensed timber except under special dispensation. Export of spruce pulpwood logs from Alberta east is permitted to those United States mills which have been regular purchasers of pulpwood from Canada. Such United States firms are permitted to purchase up to the amounts of their average annual purchases for the past seven years providing that sufficient quantity is produced to allow for this as well as for the normal requirements of Canadian manufacturers.

2. In keeping with our established policy, during the war, it is not possible to give the details of exports by countries.

The total exports of logs as specified, during the calendar year 1941, and period January 1 to March 31, 1942, were as follows:

	Calendar year 1941	Jan. 1 to March 31, 1942
	M ft.	M ft.
Logs, cedar	23,274	5,160
Logs, Douglas fir	86,195	622
Logs, hemlock	148,801	30,165
Logs, spruce	10,537	124
Logs, balsam	not classified	

1942 VICTORY LOAN

Mr. CASTLEDEN:

1. What is the total amount subscribed in the 1942 victory loan?

2. What were the expenses in connection with the floating of the loan, including advertising, commissions and other expenses?

Mr. ILSLEY:

1. Cash subscriptions, $845,360,300; conversions subscriptions, $152,143,000; total, $997,503,300.

2. Estimated expenditure actually incurred and paid to April 30, 1942, $4,907,965.28. Certain other expenditures have been incurred but have not been paid to date. Complete figures will not be available for some time.

RELEASES FROM INTERNMENT

Mr. CASTLEDEN:

How many persons have been released from internment camps in Canada during each month since April 1, 1941?

Mr. McLARTY: The number of persons released from internment camps, Canada, during each month since April 1, 1941, is as follows:

April, 1941	34
May	12
June	26
July	37
August	37
September	20
October	29
November	15
December	37
January, 1942	32
February	12
March	63
April	9
Total	363

ENLISTMENT OF INDIANS IN SASKATCHEWAN

Mr. PERLEY:

How many Indians have enlisted in his majesty's forces from each reserve in the province of Saskatchewan?

Mr. CRERAR:

(Reserves grouped by Indian Agencies.)

Duck Lake Agency		
One Arrow's reserve	4	
James Smith's reserve	5	
Beardy's reserve	16	
John Smith's reserve	8	
Moose Woods reserve	1	
	—	34
Battleford Agency		
Little Pine reserve	4	
Poundmaker reserve	2	
Meadow Lake reserve	4	
Mosquito reserve	5	
Red Pheasant reserve	4	
Sweetgrass reserve	2	
Thunderchild reserve	7	
	—	28
Carlton Agency		
Sturgeon Lake reserve	2	
Little Red River reserve	5	
Wahpaton reserve	1	
Mistawasis reserve	19	
Muskeg Lake reserve	21	
Atakakup (Sandy Lake) reserve	8	
	—	56
Crooked Lake Agency		
White Bear reserve	6	
Kahkewistahaw reserve	6	
Cowesses reserve	16	
Ochapowace reserve	5	
	—	33

File Hills Agency		
Peepeekesis reserve	25	
Okanese reserve	10	
Starblanket reserve	2	
Little Black Bear reserve	1	
	—	38
Pelly Agency		
Keeseekoose reserve	5	
Key reserve	6	
Valley River reserve	1	
Cote reserve	24	
	—	36
Onion Lake Agency		
Onion Lake reserve	2	
	—	2
Touchwood Agency		
Gordon reserve	12	
Poorman reserve	5	
Day Star reserve	1	
Fishing Lake reserve	3	
Nut Lake reserve	1	
	—	22
Qu'Appelle Agency		
Muscowpetung reserve	4	
Piapot reserve	6	
Pasqua reserve	3	
Carry-the-Kettle reserve	6	
Standing Buffalo reserve	3	
	—	22
Total		271

The above information has been obtained from Indian agents and is as complete and up-to-date as can be reported by the Department of Mines and Resources. Some Indians live off reserves or are located some distance from the agencies and for these reasons the agents may not become aware of Indian enlistments for some time after they take place.

ROBERT SIMPSON COMPANY—EMPLOYEES IN GOVERNMENT SERVICE

Mr. MacINNIS:

1. How many persons, whose last employment or position was with the Robert Simpson Company, Limited, of Toronto, have been appointed to government boards or have been or are employed by boards or departments under the jurisdiction of the dominion government?

2. How many such persons are at present in the employ of the government, and, (a) what are their names, (b) what is the salary and/or other remuneration paid to each?

Mr. McLARTY: I have discussed this question with the hon. member for Vancouver East, and I understand that he is willing to have the question dropped in order that it may be reworded. In its present form to produce the information asked for would entail a tremendous volume of work.

Mr. MacINNIS: I understand that the question is rather difficult to answer in its present form, and I am willing that it be dropped for redrafting.

Question dropped.

*SOLDIERS' DEPENDENTS HOSPITALIZATION

Mr. MARSHALL:

1. Is there a separate board apart from the present dependents' allowance board, which deals exclusively with the hospitalization of dependents of men in the fighting forces?

2. If so, when was the said board set up?

3. What are the names of the personnel, their general qualifications and their salaries?

4. How many applications, by provinces, have been received by this board for consideration since the outbreak of war and what disposition was made of each?

Mr. RALSTON: I should like to answer this question verbally. There is no board which deals exclusively with the hospitalization of dependents of men in the fighting forces. There is a board which includes a portion of that work under its special authority, that is, the dependents' board of trustees which was referred to by me on page 1932 of *Hansard*. This board was appointed by order in council P.C. 18 of January 2, 1942, and one of its powers is to pay supplementary grants or give special assistance to relieve misfortune and meet domestic emergencies, including serious illness of a member of the family.

NEWSBOYS AS AGENTS FOR SALE OF WAR SAVINGS STAMPS

Mr. AYLESWORTH:

1. Has the attention of the Minister of Finance been directed to the practice in the United States of having newsboys act as agents for the sale of defence stamps?

2. If so, has any consideration been given to the institution of a similar practice in Canada?

3. What decision has been reached?

Mr. ILSLEY:

1. Yes.

2. Yes.

3. This matter is receiving consideration.

CHARLOTTETOWN-MAGDALEN ISLANDS AIR SERVICE

Mr. ROY:

1. How many trips has the Maritime Central Airways made between Charlottetown and the Magdalen islands during the winter of 1941-42?

2. What is the distance covered on the round trip between Charlottetown and the Magdalen islands?

3. What was the total weight of mails carried by the above named company to the Magdalen islands during the past season?

Mr. MULOCK:

1. Nineteen round trips were flown with mails between Charlottetown and the Magdalen islands during the winter of 1941-42.

2. 212 miles.

3. 21,802 pounds.

ORDERS IN COUNCIL

Mr. JEAN:

1. How many orders in council have been adopted since September 1, 1939?

2. What is, in alphabetical order, the subject matter of such orders in council?

3. When orders in council affect provincial laws, are they submitted, before adoption, to an advisory committee versed in the laws of each respective province in order to coordinate them with existing provincial legislation?

4. If so, who are the members of such committee?

Mr. MACKENZIE KING: Dropped.

PLEBISCITE—SOLDIERS' VOTE

Mr. BRUCE:

Would the government give a breakdown of the soldiers' vote by separate provinces?

Mr. McLARTY: In view of the procedure laid down in the Canadian service voter plebiscite regulations, it is not possible at this stage to classify by provinces the votes counted under such regulations.

SIROIS COMMISSION—STATISTICS OF DOMINION AND PROVINCIAL FINANCE

Mr. CARDIFF:

1. Is it the responsibility of any governmental agency to keep up to date the statistical computations of dominion and provincial public finance compiled by the Sirois commission?

2. If so, what agency?

Mr. MacKINNON (Edmonton West): The continuation of the compilations on public finance made for the report of the Rowell-Sirois commission is being carried on in the finance statistics branch of the dominion bureau of statistics.

BRITISH COAL SHORTAGE—DRAFT OF NOVA SCOTIA AND ONTARIO MINERS

Mr. BRUCE:

Is a battalion or draft of miners from the coal fields of Nova Scotia, as well as from the mines in northern Ontario, being formed and despatched overseas to assist in the coal fields of Britain?

Mr. MITCHELL: No information.

TRANSPORT OF FEED FROM HEAD OF LAKES TO EAST

Mr. HAZEN:

1. What has it cost the government to date to transport feed grains and other feed from the head of the lakes to eastern Canada?

2. What companies and persons have been paid for doing this work, and how much has each received?

Mr. GARDINER:

1. The amount of money paid as freight assistance on the movement of grain originating in western Canada, and upon feeds produced from such grains, is as follows:

Up to and including May 8, 1942—$3,781,264.70.

2. The grain and feeds have been transported through the regular channels of trade, wholesale, retail, cooperative organizations and individuals, and it is not considered practicable to furnish details regarding all companies, organizations and individuals involved in the movement of feed grains for which assistance has been given. The administrative work in this connection has been under the direction of the Department of Agriculture and the staff involved is paid in the regular way through the treasury office.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WARTIME PRICES AND TRADE BOARD—LAWYERS

Mr. DESMOND:

1. How many lawyers have been appointed to positions under the wartime prices and trade board since October 1, 1941?

2. What is the name of each such appointee?

3. Where did each such appointee engage in practice prior to his appointment?

4. What length of experience at the bar had each such appointee?

5. What salary and/or allowance is paid to each such appointee?

6. What are the duties in which each such appointee is engaged?

7. By what authority was each such person appointed?

8. In how many cases was it certified pursuant to order in council P.C. 4759 that the appointment of a particular person was in the public interest?

9. Are any of these persons carrying on a private practice in addition to their duties with the wartime prices and trade board?

10. If so, what are the names of such persons?

SIR EDWARD PEACOCK

Mr. POULIOT:

1. Did Sir Edward Peacock come to Canada on or about June 25, 1941?

2. If so, did the hon. Minister of Finance meet him?

3. If not, was he met by other members of the cabinet?

4. If so, by whom and in what capacity?

5. On that date, was there an acting Minister of Finance?

6. If so, who was he, and for how long did he so act?

TERMINAL GRAIN ELEVATORS

Mr. ROSS (Souris):

1. How many terminal grain elevators are there in Canada?

2. Where are they located and by whom are they owned? What are their respective storage capacities?

3. By whom are they operated?

Mr. MacKINNON (Edmonton West): Return tabled.

MILITARY TRAINING—FARMERS AND AGRICULTURAL EMPLOYEES

Mr. LACOMBE:

1. During the present seeding season does the government propose to take the necessary steps to stop the calling up of farmers, farmers' sons and agricultural employees for obligatory military training?

2. Has the government given, or does it intend to give to divisional registrars the necessary instructions to that end?

3. If so, what arrangements has the government made for this purpose and what instructions will it give, or has it given to the registrars?

4. Has the government advised, or will it advise regimental commanding officers who find farmers are imperatively required in their districts, to bring before the appropriate commissions immediately all requests for delay submitted by the farmers referred to?

5. If so, what are the views or instructions that the government has given, or proposes to give, to regimental commanding officers?

MANUFACTURE AND USES OF ALCOHOL

Mr. BLACK (Cumberland):

1. How much cane or beet sugar, crude or refined, was used in Canada in each of the calendar years 1939, 1940 and 1941, in the manufacture of alcohol?

2. How much cane or beet sugar molasses, crude or refined, was used in the same years for this purpose?

3. What was the total quantity of alcohol manufactured from sugar and molasses in Canada in the above years?

4. What was the quantity of such alcohol used in each of the above years in Canada in the manufacturing of war materials?

5. What was the quantity of alcohol used in each of the above years for the manufacture of, (a) wines, (b) beers, (c) liquors?

6. What was the quantity of such alcohol used for other commercial purposes?

7. What was the total quantity of alcohol used in Canada for all purposes in each of the calendar years 1939, 1940 and 1941?

[Mr. Pouliot.]

MILITARY SERVICE—RECRUITING IN ONTARIO AND QUEBEC

Mr. BRUCE:

1. What is the population of the eastern part of the province of Ontario, which is included in military district No. 4, Montreal?

2. In computing returns of recruiting in the province of Quebec, are the recruits from this part of Ontario included?

3. How many recruits have been secured from the provinces of Ontario and Quebec respectively, for, (a) active service anywhere; (b) service in Canada only?

JAPANESE IN CANADA

Mr. HANSELL:

1. How many Japanese immigrants entered Canada during each year from 1930 to 1941, inclusive?

2. What was the Japanese population in Canada as at the census of 1931 and the census of 1941?

3. How many Japanese became naturalized during the years from 1930 to 1941, inclusive?

CANADIAN FORCES—FINANCIAL SUPERINTENDENTS

Mr. MARSHALL:

1. What are the names, ages, addresses and qualifications of the financial superintendents who have been appointed in each branch of the three fighting services?

2. Are these persons members of his majesty's forces, or civilians?

HEALTH INSURANCE COMMITTEE

Mr. DESMOND:

1. Has a committee been established to study the question of health insurance and to formulate a health insurance plan?

2. If so, who are the members of such committee?

3. What are the terms of reference to such committee?

Mr. MACKENZIE (Vancouver Centre): Return tabled.

MOTIONS FOR PAPERS

ST. JEROME, QUE., MILITARY CAMP

Mr. BERTRAND (Terrebonne):

For a copy of all letters, telegrams, agreements and other documents exchanged between the government, the federal departments and any person or persons, with respect to the construction of the military training camp at St. Jerome, Quebec. Also a copy of all invoices and paysheets in connection with this construction.

Mr. RALSTON: I understand that with the consent of the hon. member this motion is to be dropped.

Motion dropped.

BRITISH WHEAT PURCHASES, 1939-42

Mr. FAIR:

For a return showing the price paid by the British cereals import board or any department of the British government for wheat purchased from the Canadian wheat board during the crop years 1939-40, 1940-41 and 1941-42 to date.

Mr. MacKINNON (Edmonton West): Mr. Speaker, on several occasions in this house and elsewhere I have been asked this question and I have explained that we would be glad to give this information if we were allowed to do so. We have sold wheat to the British ministry of food on various occasions and one of the terms and conditions of those sales has been that the price be not revealed. I am sorry that it is impossible for me to give further information in connection with this request and I would suggest that the motion be dropped.

Mr. COLDWELL: Can the minister tell us why the British cereals board does not wish this information to be given to the people who owned this wheat in Canada?

Mr. MacKINNON (Edmonton West): If I told that I might just as well give the whole answer; that is tied up with the request that the information be not made public.

Mr. FAIR: As the mover of the motion I want to lodge a complaint against this information being withheld from the farmers who produced the wheat. Like the Minister of Trade and Commerce I have been asked for this information on several occasions and have had to say I am informed that to give it would not be in the public interest. If this information were of any benefit to Hitler or the Japanese I would certainly not ask for it, but I cannot see any reason in the world why it should be withheld. We are told what we are getting for our beef and our pork and all that kind of thing, but information on wheat is withheld. I do not believe it is democratic to have this information withheld.

Mr. PERLEY: I wonder if the minister will permit one question dealing with this matter? In the report of the 1940-41 crop there is a statement on page 2 with respect to sales made in the month of May, totalling 120 million bushels odd. Then in the monthly statement issued later you give the price at which wheat was offered, showing each month of the year, and for that month the price was over 90 cents. In one report the sales made are given, and then in the monthly statement the prices paid; why then can this information not be made available?

Mr. MacKINNON (Edmonton West): I cannot help it if the hon. member for Qu'Appelle (Mr. Perley) wishes to draw conclusions from information published by the department in connection with the handling of the wheat crop. I cannot add anything to what I have already said. We have been asked by the British government not to reveal this price, and unless the house wishes me to go back to the British government and ask them to reconsider their stand, I think the question will have to be dropped.

Mr. PERLEY: The price quoted in the monthly statement is correct, is it not?

Mr. CRERAR: It does not refer to the same thing at all.

Mr. HANSON (York-Sunbury): May I request the minister to go back to the British government and ask them if they will release the prices paid to Canada for the wheat during the years covered? If they definitely refuse to do that, I do not think we can pursue the matter any further. That has never been done so far as I know.

Mr. MacKINNON (Edmonton West): I have stated definitely in this house that I personally requested the British government to consider giving this information. I told them that this house and particularly the wheat producers of western Canada were anxious to get the figures and asked if they would not reconsider their decision and allow me to give the information. They came back with the request that the information be kept secret in accordance with the terms for the purchase of wheat by that government.

Motion dropped.

AIRCRAFT AND ALLIED INDUSTRIES—MORALE BUILDING CAMPAIGN

Mr. DIEFENBAKER:

For a copy of all letters, memoranda, or other documents addressed by the director-general of aircraft production, or any official of the aircraft production branch, and directed to any official of an aircraft industry or company engaged in whole or in part in the production of aircraft or parts thereof, with reference to the appointment of E. G. Hirst of Toronto to undertake a morale building campaign in the aircraft and allied industries; and in particular with reference to the manner in which his out-of-pocket expenses for travelling, organizing and office assistance are to be paid.

Mr. MICHAUD: Because of the unavoidable absence of the Minister of Munitions and Supply (Mr. Howe) I would ask that this motion stand until his return.

Mr. HANSON (York-Sunbury): That cannot be the real reason. This is not an unimportant matter and the questions asked are quite clear. The other day when the minister

was here he asked to have it stand. It may take some time to bring down the information but I should like to see this motion passed and then we can get the return later. Unless there is some real reason why it cannot be passed to-day, I ask that the motion be put.

Mr. MICHAUD: There is no special reason for asking for delay, but the minister of munitions is not here and I do not know whether there is anything objectionable in the motion. However, if the house wishes to pass the motion, it must be with the reservation that anything of a confidential nature will not be brought down.

Mr. SPEAKER: Carried, with the reservation made by the minister.

CONSCRIPTIVE POWERS OF GOVERNOR IN COUNCIL UNDER WAR MEASURES ACT

Mr. CARDIFF:

For a copy of all opinions rendered by the Department of Justice with reference to the power of the governor in council under the War Measures Act to conscript men for service in any theatre of war.

Mr. ST. LAURENT: I have been advised by the departments of government concerned to say that they do not object to the production of the opinions mentioned in this motion, but it will be done without prejudice to the general rule which is stated in Bourinot, at page 250, as follows:

As a rule the opinions of the law officers of the crown are held to be "private communications" when given for the guidance of ministers, and may be properly refused by the government.

Mr. HANSON (York-Sunbury): The question is largely academic now.

Mr. ST. LAURENT: With that reservation, for the convenience of hon. members I table the return at once.

MUNITIONS AND SUPPLY—POOL CONSTRUCTION COMPANY CONTRACTS

Mr. CASTLEDEN:

For a return showing—1. What contracts have been let by the Department of Munitions and Supply to the Pool Construction Company, Limited, Regina, Saskatchewan, since September, 1939, and the dates of such contracts.

2. In which cases there was a call for public tenders.

3. The amount of tender in each case.

4. The total amount paid by the government to this company.

WARTIME HOUSING LIMITED, HULL, QUE.

Mr. NICHOLSON:

For a return showing the plans, specifications and contracts in connection with the building of houses in Hull, Quebec, by Wartime Housing Limited.

[Mr. R. B. Hanson.]

COMMITTEE ON RECONSTRUCTION

Mr. CARDIFF:

For a copy of the basic memorandum which constitutes the agenda of the committee on reconstruction referred to by the Minister of Pensions and National Health, at page 26 of the evidence of the select committee of the house on reconstruction and reestablishment.

Mr. HANSON (York-Sunbury): Has this memorandum been delivered to members of the committee? I think it has been, and I think it should be distributed to all hon. members.

Mr. MACKENZIE (Vancouver Centre): I am informed by the chairman that that has been done, and the return will be tabled to-morrow.

THE MINISTRY

REPRESENTATION OF THE PROVINCE OF QUEBEC—PORTFOLIO OF PUBLIC WORKS AND TRANSPORT

On the orders of the day:

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker, may I direct a question to the Prime Minister? Is the government still considering the opportunity to give proper representation in the cabinet to the province of Quebec? I should like to direct a second question to the Prime Minister: Are any changes contemplated in the cabinet to replace Hon. Mr. Cardin?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I may say to the hon. member that the leader of the opposition (Mr. Hanson) has already been taken to task for a similar question, and I think he will find that the public will take him to task for asking that particular question at this time.

RELATIONS WITH RUSSIA

INQUIRY AS TO EXCHANGE OF DIPLOMATIC REPRESENTATIVES

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, may I ask the Prime Minister whether he can tell us when it is anticipated that the projected exchange of diplomatic representatives between Canada and the U.S.S.R. will be effected? The Prime Minister announced some weeks ago that such an exchange would take place.

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend will appreciate that there are many matters to be considered in connection with the selection of a minister for a position of the kind, and that correspondence between the governments takes considerable time. I can only

say that the matter has been receiving consideration and we hope to be able to announce an appointment as soon as possible.

SYNTHETIC RUBBER

PRODUCTION FROM GRAIN ALCOHOL PRODUCED FROM SURPLUS WHEAT AND CORN

On the orders of the day:

Mr. A. G. SLAGHT (Parry Sound): Mr. Speaker, I should like to direct a question to the Minister of Agriculture in which the Minister of Munitions and Supply will also be interested, arising out of a dispatch carried in the New York *Times* of Saturday in which the following statements occur:

Secretary of Agriculture Wickard, appearing before a Senate agriculture subcommittee, urged a partial extension in the government programme of making synthetic rubber from grain alcohol produced from surplus wheat and corn. He stated that 80 million bushels of grain would make about 200 million gallons of alcohol—

Mr. SPEAKER: Order. This is a question that should properly be placed on the order paper.

PRIVILEGE—MR. KINLEY

SALVAGE—OPERATIONS OF LUNENBURG COUNTY FISHERMEN—LARD

On the orders of the day:

Mr. J. J. KINLEY: (Queens-Lunenburg): Mr. Speaker, the Ottawa *Citizen* of this morning contains an article headed "Salvage On The Sea Front," with a quotation from the Halifax *Herald*. Reference is made in the article to a letter written by my friend and constituent, the Hon. Gordon Romkey, Speaker of the Nova Scotia House of Assembly. Mr. Romkey cites the fact that fishermen off the coast of Nova Scotia have brought into port a considerable quantity of lard salvaged from the sea.

Mr. SPEAKER: Is the hon. member speaking on a question of privilege?

Mr. KINLEY: Yes, Mr. Speaker. Mr. Romkey's letter has been given prominence both in the local press and throughout Canada.

Mr. THORSON: I might ask the hon. member a question.

Some hon. MEMBERS: Order.

Mr. KINLEY: I am speaking on a question of privilege. This matter was brought before the house last Friday.

Some hon. MEMBERS: Order.

Mr. KINLEY: It relates to something which occurred in my constituency. This morning I had a telegram from Mr. Romkey which is as follows:—

Mr. SPEAKER: Will the hon. member state his question of privilege?

Mr. KINLEY: The question of privilege is this. I made a statement in the house last Friday that I was advised that the matter would come under the receiver of wrecks. May I explain that I have a telegram from Mr. Romkey to-day saying:

Receiver of wreck could not handle it. Holding since April twenty second with no buyers Stanbury provincial organizer had offer from Lever Bros St. Stephen Saturday. Packing to-day in four hundred pound casks for shipment.

An hon. MEMBER: That is not a question of privilege.

Mr. KINLEY: Mr. Speaker, I am told that lard is used as an insulator for certain perishable products going overseas.

Mr. HOMUTH: It is used for grease, too.

Mr. SPEAKER: What the hon. member has just stated is not a question of privilege.

Hon. J. T. THORSON (Minister of National War Services): If I may go back to the question of this lard: on Friday the hon. member for Cape Breton South (Mr. Gillis) asked me concerning the disposal of ten thousand pounds of lard salvaged from the sea by Lunenburg fishermen, and I told him that I would make inquiry with regard to the matter. The information which I have is that, through Mr. H. N. M. Stanbury, provincial salvage organizer for Nova Scotia, inquiry was made with the result that Lever Brothers, Limited, St. Stephen, New Brunswick, made an offer for the lard which was accepted as satisfactory by those responsible for salvaging it from the sea.

It may be of interest to members of the house to know that three weeks ago, 90,000 pounds of lard were salvaged from the sea, in the eastern passage, and satisfactory arrangements were made for its disposal.

It would appear that in the case of the 10,000 pounds of lard salvaged by Lunenburg fishermen, all possible avenues of disposal were not explored before publicity was given to the matter.

LABOUR CONDITIONS

UNITED FISHERMEN'S UNION—PROPOSED JOINT PRODUCTION BOARD

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): Some little time ago the United Fishermen's Union of Vancouver wrote to the Department

of Fisheries with regard to the setting up of a joint production board. I am in receipt of a telegram with regard to this matter, and I should like to know from the minister whether the department has given the subject any consideration. I am sorry I did not get this wire in time to hand it to him.

Hon. J. E. MICHAUD (Minister of Fisheries): In reply to the hon. member I may say that the department has given and still is giving consideration to this matter.

WAR APPROPRIATION BILL

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

The house resumed from Friday, May 8, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Bradette in the chair.

NAVAL SERVICES

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): I should like to table two documents containing information asked for on Friday last in this committee: first, a statement showing the rates of pay and allowances for officers and men in the Royal Canadian Naval Service; second, a statement showing the syllabus of training followed in the training of officers on the east and west coasts.

Mr. HANSON (York-Sunbury): Has the minister been able to get any information with respect to the case of the *Claire Lilley*?

Mr. MACDONALD (Kingston City): The *Claire Lilley* is a merchant ship, not a ship of war. She ran aground at the entrance of Halifax harbour some weeks ago. The whole matter is being investigated, as my hon. friend pointed out, by a commission of which Mr. Justice Archibald is the chairman. As I have said, she is not a naval vessel, and we have nothing to do with her except that, after she ran ashore, the naval craft in the harbour and naval officers and men put out a rescue boat and did actually rescue some of the crew with the assistance of the coast guard.

Mr. HANSON (York-Sunbury): The minister has had, I suppose, the report of the commission?

Mr. MACDONALD (Kingston City): No. I do not think it is completed.

Mr. HANSON (York-Sunbury): Perhaps this question is premature, but I wished to ascertain whether there was a lack of cooperation between the naval authorities and the harbour commission authority. I believe that was involved in the inquiry.

[Mr. MacInnis.]

Mr. MACDONALD (Kingston City): I think the hon. gentleman had better wait until the report comes in.

Mr. STIRLING: When the committee was examining the details of the estimates of the minister's department there was a question I wanted to ask with regard to armaments. To what extent are the armaments, including the munitions, used in the Royal Canadian Navy, of Canadian production? Do we supply all our armament requirements ourselves, or do we still have to go outside for some?

Mr. MACDONALD (Kingston City): Speaking of munitions?

Mr. STIRLING: No—armaments in the wide sense of the term; all the weapons as well as the munitions.

Mr. MACDONALD (Kingston City): I should say, roughly, that the greater part of the armament is manufactured or produced in this country. Some of it is not, the reason being that the demand is hardly great enough to warrant the setting up of a special plant. I can tell my hon. friend at a later date what some of these things are.

Mr. POULIOT: I have in my hand a telephone directory of the Department of National Defence, Naval Service and Army. There are about forty-four pages of names, the total number being between twelve and thirteen hundred. Of course this directory must be in the hands of everyone who has a telephone in both departments, and therefore it must be easily available to those who are inside. I have two questions to ask of the minister. First, of that total number of approximately twelve or thirteen hundred, how many are bilingual? Second, out of that total number how many officials, both civil and military, of both departments have been living in this country for the last five years? I should like the minister to tell us also the total number of people who have a telephone to-day.

Mr. MACDONALD (Kingston City): This book I understand contains the names of army and air force personnel as well as naval personnel. The number of navy personnel will be considerably smaller than the number in either of the other two services.

As to how many are bilingual and how many have lived here at least five years, these are questions that I shall have to spend a little time upon before attempting to answer. I shall get the answers for my hon. friend.

Mr. BLACK (Cumberland): Would the minister explain the nature of the naval developments which I understand have been taking place on Grand lake, Nova Scotia, and

why a fresh water lake, the largest in Nova Scotia it is true, is being used? Also can the minister give any further particulars as to the naval college which was definitely announced on Thursday or Friday as being established in British Columbia? Why was this college removed from Nova Scotia, and what naval instruction is it proposed to carry on in Nova Scotia? It is with some regret that the people of Nova Scotia see the naval college which was located for a considerable time in that province being removed. It is one of the unfortunate developments that a great deal of the war activities operating in Nova Scotia are only temporary and will cease at the termination of the war. Very little is being developed there which will have a survival value. The naval college was one of the departmental activities that is not only necessary at the present time but should continue after the war as a permanent institution.

Mr. MACDONALD (Kingston City): The Grand Lake development is a matter which has not yet been decided on affirmatively. There may be no development there. If there were it would be in the nature of a school for the training of men in signalling, which could be carried on quite conveniently at Grand Lake.

As to the naval college, the decision has been made to re-establish it at or near Esquimalt, British Columbia. It is true the college was established in Halifax at the beginning. It was destroyed in the great explosion, set up again for a time at Kingston as part of the Royal Military College, and finally at Esquimalt until it was closed in 1923. After very careful thought the decision was reached that, all in all, Esquimalt offered unusual opportunities. The property there, one square mile in area, was acquired at a very reasonable rate; it contains a very fine building already, and it was felt that on account of the favourable western climate the college would be better established there where year-round training in boat work can be had.

Mr. BLACK (Cumberland): I appreciate the minister's explanation. The intention appears to be definite to reestablish this naval college on the Pacific coast. Nova Scotia, however, does not willingly relinquish its claim to the location of this college. By the removal of the college the prestige of the province as the centre of naval activities and naval developments is diminished. The people of the province feel that they have certain rights in the matter, and the opinion is definitely held there, and I believe it is shared in other parts of Canada, that Nova Scotia is the proper location in that it is in closer contact with the mother country and with the development of naval service in Great Britain in conjunction with what is or may be done in that regard in Canada. It is believed that the Atlantic coast is a more appropriate location for the college so that it might operate in conjunction with the British naval authorities. It was unfortunate that the old college was destroyed in the explosion, but the province should not suffer on that account. I do not question the attractiveness of the location on the Pacific coast, but speaking for Nova Scotia I do not yield the claims of that province to location and reestablishment of the college on the Atlantic coast. As I say, it is unfortunate that so much of the development in Nova Scotia that has arisen out of the war, such as transportation by water and by rail, and work in the coal mines, and other activities, will cease on the termination of hostilities, which we hope will not be long delayed. We feel that a permanent asset or institution such as the naval college should not lightly be taken away from Nova Scotia.

Mr. MACDONALD (Kingston City): All I can say to my hon. friend is that I hope there will be laid next week in Nova Scotia the keels of two destroyers, the first time that the building of ships of war of that size have ever been undertaken in this country. If there is to be a navy at all in Canada after the war, as I hope there always will be, destroyers will form a necessary part of it, and the natural and proper place to build them, at least a very suitable place, I think, is in Nova Scotia. The building of destroyers is from the point of view of the province a much more desirable thing than the establishment of a college. After all the college will contain no more than 100 students at any one time, fifty a year coming in. It is about the same as if fifty more students were added to the enrolment of Dalhousie or Acadia, or any of the maritime universities. I do not think that is to be compared to the prospect of a permanent destroyer-building programme in Nova Scotia.

Mr. KINLEY: Is there not considerable naval training going on at Halifax with King's college as a base, and are there not also many young Canadians who have been instructed as officers in the Canadian navy there?

Mr. MACDONALD (Kingston City): Yes, there is training going on at King's, and there has been training for officers going on at other points since the beginning of the war. That is a shorter course, covering four months. We are speaking now of the college, which has a two-year course.

Mr. GREEN: Would the minister explain the requirements for entry to this new naval college, and also the age standards that have been set? We have had some complaints to the effect that the age limit is so low that young lads in some of the provinces cannot matriculate in time to qualify for the college, and it is felt that the result may be that boys from these provinces never will get into the college.

Mr. MACDONALD (Kingston City): I do not think there is anything in that. There has been some complaint from British Columbia that the age limit is not satisfactory to them, but it is impossible to get exact equality of educational training in all the provinces. It is impossible to find students reaching the same point in their educational progress at exactly the same time. I think the superintendent of education in British Columbia made some complaint, but he was interviewed by the naval director of education and it was explained to him that we did not believe that any bright boy in British Columbia would be handicapped as a result of the age limit. Taking July 1, 1942, as the vital date, the requirement is that a boy must be over sixteen and not more than seventeen years and eight months as of that date, and he must have what is commonly called junior matriculation in order to enter. That is the general standard of admission. For the first year, that is for this year, we are making an exception, however. Boys can enter for one year only, taking a one-year course, who are beyond those age limits. They may enter even if they are up to the age of nineteen, I think, or perhaps it is eighteen years and eight months. In the paymaster branch they may enter up to twenty. But the standard age for entry will be over sixteen and under seventeen years and eight months. That has been arrived at after consultation with the departments of education of the nine provinces, and it is felt to be a reasonably fair and proper age limit to set.

Mr. GREEN: Would it not be possible to make some special allowance in a case where the provincial educational regulations make it impossible for a boy to be that far ahead at that age? They are very strict in British Columbia in not allowing a youngster, no matter how bright he may be, to skip grades; and the result may be that it will be almost impossible for a young chap from that province to get into the naval college.

Mr. MACDONALD (Kingston City): Well, I do not know. Are there many bright boys—

[Mr. Macdonald (Kingston City).]

I am only talking of bright boys; we are not interested in the dullards, because there would be no reason for their going there—

Mr. GREEN: I hope the minister does not mean to suggest that there are no bright boys in British Columbia.

Mr. BLACK (Cumberland): That is another reason why the college should be located in Nova Scotia; they are all bright there.

Mr. MACDONALD (Kingston City): Will there be any bright boy in British Columbia who will not have received his junior matriculation by the age of seventeen years and eight months? I should think nearly all these boys would be that far on. I am given to understand that the number of those who might be hampered or prevented from entering the college as a result of the age limit would be very small.

Mr. GREEN: I am told that under our school regulations it is almost impossible for a boy to be that far along at that age. I would ask the minister to look into the situation again and, if he finds it impossible for a boy from British Columbia to get into the college under the present regulations, some special allowance should be made, because it is not the fault of the boy.

Mr. MACDONALD (Kingston City): My hon. friend may rest assured that we will do right by British Columbia.

Mr. HAZEN: I believe the regulations concerning the Royal Military college provide that a certain number of students shall be allotted to each province. Are there any such regulations in respect to the new naval college?

Mr. MACDONALD (Kingston City): Yes, there is provision to the effect that we shall try to divide the number of students among the provinces, in proportion to the number of applications coming from the provinces.

Mr. MAYHEW: High school students in British Columbia are required to take a four-year course. That does result in some of them getting through a little later; but the correspondence referred to by the minister, with the superintendent of education, will show that the percentage of boys who are not through at the required age is very small, and in conversation with myself the superintendent stated that this really was not a serious point.

With reference to the question of the location of the college I have a suggestion to offer. I know that the hon. member for Cumberland is a very reasonable gentleman, as

are most people who come from that wonderful province. I would invite him to come to Victoria and let us show him the new Royal Roads college. If, after he has visited the place and has seen the kind of deal the government were able to make, he is not quite satisfied that the minister did the right thing in selecting that site for the college, we will have to do something very handsome for him. I am sure, however, that nowhere else in Canada could he find surroundings equal to those at Royal Roads, and that nowhere else could the government have obtained for a very few thousand dollars property valued at something over a million. It is an excellent location, close to the Esquimalt harbour and with year-round facilities, and I am sure that after he has seen the place the hon. member will be satisfied that the minister made the proper choice.

Mr. FRASER (Peterborough West): Has the minister considered the possibility of this country having a seaman's manual of its own, instead of the out-dated manuals the boys have to use at the present time? They are now using volume 1, 1937, and volume 2, 1938, and these volumes are unrevised. In the United States the navy department is issuing "Knight's Modern Seamanship", which is revised right up to March, 1942. That manual is right up to date: it covers everything, oil burners, depth charges, torpedoes, bombs, up-to-date anti-aircraft guns, and everything else. The manual we are using in Canada is the one issued by the British admiralty, and it is dull. A moment ago the minister was speaking of bright boys, but even bright boys find that manual dull, and I believe the Canadian navy should have a manual of its own.

While I am on my feet I should like to say something else. If a boy wants to join the navy and he lives in the Stratford district, for example, he has to go to London to enlist. They tell him there that they are full up, and he will have to wait. In Hamilton or Toronto, however, the quotas may not be filled. Could not the navy look after that boy, instead of making him wait perhaps months before he is permitted to enlist?

Mr. MACDONALD (Kingston City): It is true that the seamanship manual used is the manual of 1937, as prepared by the British admiralty. It is not up to date, but after all is said and done we have turned out some pretty good seamen with this manual.

Mr. FRASER (Peterborough West): I acknowledge that.

Mr. MACDONALD (Kingston City): While other manuals may be a little more modern or more interesting, I think our manual still is good. However, I shall be glad to look into the point, and I thank my hon. friend for having raised it. As to the second point, it is true that the navy does its recruiting through these volunteer reserve divisions. The nearest to Stratford would be the one at London, and it is quite possible that boys seeking enlistment at London might find the complement there filled. I think that is very likely to happen. The complement everywhere is filled—in fact more than filled. There are some four to five thousand young men throughout Canada waiting to get into the navy. Some of those young men are no doubt in Stratford, some in Toronto, some in Halifax and others at centres of considerable size throughout the country. If a man has special aptitude in a trade, or anything of that sort, I am sure he would instantly be taken in. If he were not taken at London his name would be sent to headquarters and he would be drafted into the navy at once. However, I shall pass on my hon. friend's suggestions to the proper officers.

Mr. BROOKS: I understood the minister to say fifty students a year would be taken into the naval college at Victoria when it is in operation. On what basis does he arrive at that number? Does he consider that that is all who will be required by the navy? Since the beginning of the war the navy has been greatly expanded, and there is still a great deal of expansion going on. Fifty a year seems a small number of students if we are to have any sort of navy.

Mr. MACDONALD (Kingston City): We will not rely on the college for the great body of our officers—not at all. We will continue the training of officers at Halifax and at Esquimalt for the four months period under which they now undergo training.

Mr. STIRLING: Through the Royal Canadian Naval Volunteer Reserve?

Mr. MACDONALD (Kingston City): Yes. The college will be for the younger lads between sixteen years and seventeen years eight months. That will go on after as well as during the war. But even after the college is established, the vast majority of officers will come in the way they come to-day, namely through one of these divisions. They will receive a short period of training there, then four months' training at the coast, and then they will be sent to sea for further experience. That is the main source from which we will continue to get our officers during the war. After the war the naval college will form an excellent training ground

for young men who wish to make their careers in the navy or who wish to enter the merchant marine. Then, it may be used by young men who have no desire for life in either the navy or the merchant marine, but who may wish, or whose parents may wish them, to have the benefit of the discipline and the instruction given by the naval college. I believe it will be of invaluable assistance not only to the navy but to the merchant marine, and to our people as a whole. The training given at the college will be excellent in every way, because we have a splendid staff of instructors. The traditions of the Royal Canadian Navy, following those of the Royal Navy, are high. It would be classed with the Royal Military college at Kingston, which we have had for many years.

Mr. BROOKS: What rank would a young man have when taken on in the navy after graduating from the school?

Mr. MACDONALD (Kingston City): He would have to start at the bottom of the ladder. He would be a cadet, then a midshipman and then a sub-lieutenant.

Mr. STIRLING: Leaving the college he would be a sub-lieutenant, just as in earlier years he would be a sub-lieutenant upon leaving the training cruiser. I believe the college is a substitute, is it not? The young man enters as a cadet, does his work as midshipman, and qualifies at the college to go out as a sub-lieutenant.

Mr. MACDONALD (Kingston City): I believe it is probably something like that, although I should not like to speak without the prospectus before me. I am not sure whether he comes out as a cadet or as a sub-lieutenant. Some would come out when they have barely reached the age of eighteen. Those who go in at sixteen would probably be out a few months before they were eighteen. Then they have to do a year's cadet training. Certainly the rank of sub-lieutenant would be the highest they could possibly hope for on leaving the college.

Mr. BRUCE: I have heard it stated that although corvettes are thoroughly seaworthy, in the case of one corvette, owing to the fact that the hatches did not fit properly, water got down into the hold, and there was constantly a foot of water in the room in which the men slept. Secondly, I believe it is a regulation that after six months of service a man is given leave. Is it a fact that after two years some have not been able to get leave to go home, and does that condition arise from lack of men to fill their places?

[Mr. Macdonald (Brantford City).]

Mr. MACDONALD (Kingston City): I shall look into the first point respecting the corvette. Of course water may get into these ships in various ways, but I should doubt the correctness of the report that the condition arose because the hatch did not fit closely. However I shall look into the matter and find out if there is anything in it.

As to the second question, leave in the navy is usually given to officers and men when the ship comes to a Canadian port for refitting. That is a suitable time, because the ship is laid up anyway, and the officers and men are usually given leave at such times. I know of no cases where men have been at sea for two years without leave. There may have been men living in Toronto or Montreal at the beginning of the war who, perhaps, served a year or so at Halifax and then some further time at sea. But I doubt if there are any cases where a man has been constantly at sea for two years, without leave. However I shall look into the situation, and get the information for the hon. member.

Mr. BRUCE: The men in question have not been continuously at sea during that period. We will say that their base is Newfoundland, and that they proceed from there to Iceland, or wherever they are bound to go. On returning to their base for refitting they would have shore leave, of course; but do they have the opportunity of going from their base to their homes in St. John, Halifax, Montreal or wherever they may live? I understand certain of the men have not had that privilege for two years.

Mr. MACDONALD (Kingston City): I am sorry if that is so. I shall make inquiries and give my hon. friend the information.

Mr. GILLIS: Overlooking the naval station at Sydney, Nova Scotia, there is a group of five houses which were purchased some two years ago by the Department of Transport. Last year there was some trouble, because the people were ordered out. Eviction notices were served, but there was no place for the occupants of these houses to go. The housing situation in Sydney is deplorable. Last year I succeeded in having the matter straightened out, with the aid of the Minister of Transport. But a new order was issued some three weeks ago and I understand that the naval authorities now desire the removal of these buildings. There are five families affected, thirty people in all. During the last two weeks I have had several letters from different persons in the city, including the mayor, pointing out that there is no room to be had in the city.

During the past week or so I have taken the matter up with the Department of Transport, but I have had no success in getting a reply. I wonder if the minister would see what can be done with respect to leaving matters as they are until such time as room can be found for the people affected.

Mr. MACDONALD (Kingston City): I thought there were only three families, but my hon. friend says there are five. These houses are located on a bank overlooking the naval buildings at Sydney.

Mr. GILLIS: That is right.

Mr. MACDONALD (Kingston City): I understand the occupants of these houses have been in there for some years and I do not think they have ever paid much rent.

Mr. GILLIS: Not since the Department of Transport took over.

Mr. MACDONALD (Kingston City): The houses are old, and because of their position with regard to the naval buildings, sewage and other drainage I understand seeps down into the cellars of the buildings. I think it is very desirable that these houses should be torn down. I do not know just how I can help my hon. friend. What does he suggest? I know it is hard to get houses in Sydney and I know the city authorities are reluctant to evict people at this time, and have been for some years, because of the housing shortage. If any reasonable method can be found of meeting the situation in order not to inconvenience unduly these poor people—I understand they went in there more or less as squatters—I shall be glad to consider it.

Mr. GILLIS: The minister is not correct when he says that they more or less squatted there; they have occupied these houses for years. After the establishment of the naval station, the Department of Transport bought them. There is one thing the minister could do: he could intercede with the Department of Munitions and Supply to consider a prefabricated housing scheme for that city. So far as the city is concerned, they have been trying it for the past two years. Many houses might be made available in that way. As the mayor points out in his letter, if these people are evicted there is no place for them to go except on the street. Last year the Minister of Transport stayed execution, but I notice it is a new magistrate handling this matter this time. Evidently the chap who handled it last year would not tackle it again. The Minister of Transport made an offer last year to the city that if the city would provide land he was prepared to give the buildings as they were to the city which could move them to the new locations. The mayor's letter is an S.O.S. for a stay of execution until such time as they can find other quarters.

Mr. MACDONALD (Kingston City): Does the mayor suggest anything that could be done?

Mr. GILLIS: No.

Mr. MACDONALD (Kingston City): That is the usual type of letter; they suggest that everything should be done by Ottawa. Let the Department of Transport do it, or the Department of Naval Services. I am not referring particularly to Sydney, but many of these cities are very poor at helping themselves or their own people.

Mr. MacNICOL: Good at passing the buck.

Mr. MACDONALD (Kingston City): Exactly, passing the buck. The problem is really one for the city. As I understand it, these people are not war workers, and surely the city of Sydney has some degree of responsibility for its own citizens. Every city expects the government to build houses, to put in water mains and sewers and to provide all sorts of facilities and conveniences, disregarding entirely the fact that they themselves are enjoying a fair amount of prosperity as the result of war orders of one kind or another. That seems not to weigh in the balance at all; the whole desire seems to be to pass anything to some other government. However, that is not the fault of my hon. friend, and I shall be glad to look into this case. I know something of it myself, and if any way can be found out of the situation, I shall be glad to consult my hon. friend.

Mr. FULFORD: There is a matter I should like the minister to bring to the attention of the Minister of National Revenue (Mr. Gibson). I understand that like the army and the air force, when a man goes active in the Canadian navy he is automatically exempted from paying income tax. I presume this is done to recompense him for the dangers that he may encounter. I understand, however, that a man in the Canadian merchant marine is not granted this privilege, although the risks may be just as great as those faced by a man in the army. I have in mind an officer on one of the Imperial Oil tankers. I cannot imagine a more precarious job in this war at the present time than bringing oil from south America to Canadian ports. Surely this man is entitled to the same consideration as is given to men in the navy.

Mr. FRASER (Peterborough West): At the present time Canada has no marine corps,

although practically every other country has found that such a corps is necessary. I believe it would add to Canada's naval prestige if we had such a corps, and I should like to know if the minister is going to do anything about it. The marine corps in the United States really acts as a commando corps. They also have a marine corps division of public relations in the United States which permits of the maximum cooperation between newspapers and the navy department. Has the minister anything to say in that regard?

Mr. MACDONALD (Kingston City): We have not considered a marine corps in this country.

Mr. STIRLING: We have no battleships.

Mr. HANSON (York-Sunbury): There is not room for them on our warships.

Mr. MACDONALD (Kingston City): As my hon. friend knows, our navy started in a rather small way, with only 1,700 officers and men two and a half years ago. It is doubtful that we will feel it necessary to start the formation of a marine corps for some little time, but perhaps some day we may have such a corps.

Mr. FRASER (Peterborough West): A young man from Peterborough joined up some months ago, and when the destroyer he was on was sunk, he was transferred to a British ship. The Westclox club in Peterborough sends out twice a month to all its members parcels containing cigarettes, pipes and other little things that will be appreciated by the men. But the cigarettes are always taken out of this man's parcel. He gets the pipes and whatever else they send him, but the cigarettes are not there. This man is paid by the Canadian navy.

Mr. MACDONALD (Kingston City): Who takes them out?

Mr. FRASER (Peterborough West): I do not know, and they want to know. The Western Clock people send these parcels to all men who have enlisted from their plants. Will the minister look into this?

Mr. MACDONALD (Kingston City): It is a large order. I shall find out from my hon. friend the name of the man and what ship he is serving on and endeavour to do something about it. It may be due to some roguery on the part of those handling the parcels; I suppose cigarettes are quite precious in certain parts of the world just now. If my hon. friend will give me the name of the ship and the name of the man I shall see what I can do. The Postmaster General (Mr. Mulock) would probably be the proper person to handle this.

[Mr. Fraser (Peterborough).]

Mr. FRASER (Peterborough West): When a Canadian joins the imperial army in England he cannot get cigarettes, but in that case he is paid by the British government. This man is paid by the Canadian government, so that his case is slightly different.

It has been suggested to me that perhaps the navy could take a great number of the men who are rejected by the army because of flat feet. In the navy it does not matter, but in the army I know it does.

An hon. MEMBER: Can you walk on the water?

Mr. FRASER (Peterborough West): They do not use their feet on the water. If they cannot be taken on in the navy, can they be taken on in the merchant marine?

Mr. MACDONALD (Kingston City): That is a medical question. I should not like it to be understood that we are taking on those who have been rejected by the other services, but if there is some useful task that they can do, I know that we should be glad to consider them. As to the merchant marine, there are some old skippers between sixty and sixty-five years of age at sea now who are a good deal over the army or navy age, but they are men of long experience on the sea. If these are the men to whom the hon. member refers, I think it would be considerably easier for them to get into the merchant marine, where the medical standard is not as strict as for the navy or army.

Mr. FRASER (Peterborough West): At page 2265 of *Hansard* the minister said, in reference to a man who is missing:

> If he is missing, his pay goes on for the rest of the month. I think that is the arrangement. When he is presumed killed his widow or dependent, as the case may be, falls under the ordinary pension regulations.

If the man is a prisoner of war his pay continues for six months and then the allowance to the wife or other dependent is stopped. I know it is so in the air force; is it so in the navy? If a man is not presumed dead for six months, the allowance is cut off for the full six months. Can the minister give any information on that?

Mr. MACDONALD (Kingston City): I can get that information for my hon. friend.

Mr. JACKMAN: A question was asked last week as to buildings that were being put up for the navy by the Department of Public Works over and above the $20,000,000 expenditure for buildings which the navy itself is putting up.

Mr. MACDONALD (Kingston City): I think I answered no to that question when it was asked last week. The $20,000,000 covers all the buildings that are being built for the navy this year. It does not matter who is putting them up, because we have to pay for them and provide for them in our estimates. The $20,000,000 is the total cost of the new buildings that we are asking for this year.

Mr. JACKMAN: I have been asked questions from time to time which indicate that people do not understand why it is that the navy is setting up a naval college at Royal Roads after thirty-two months of war when we have got along all this time with the present facilities and without such a college. And where is the navy going to get competent instructors and other personnel for this college? Can the minister enlighten me so that I in turn may enlighten those who ask me?

Mr. MACDONALD (Kingston City): That comment has been made about every new undertaking since the beginning of time. You would never start a new college or institution of any kind if you paid attention to comments of that sort. If we had not started a naval college I think there would have been a great deal more criticism. We would have had people saying: Why are you not doing something to get ready? It is true that for the purposes of the war, assuming it will be over in two or three years, we could get along without a naval college. The naval college will not begin to turn out students until 1943, and then it will begin to turn out fifty or sixty young men a year. In the meantime, hundreds of young officers will have been trained through the shorter four months' training courses. But I do not think there is anyone in this country who will deny that we need such an institution. Four months is a short period within which to train a naval officer. The naval college will be a place to which a young man can go who wants to adopt the sea as a career. He will receive there two years of good solid training fitting him for permanent service in the navy or the merchant marine. I do not think any Canadian who looks at the problems which this country will have to face at the end of the war will challenge the wisdom of establishing such an institution.

Where are we going to get the instructors? That is a question that seems to be based on very little thought. We have as head of the college Kenneth Ketchum, the former principal of St. Andrew's college. Is there in all of Canada a man who enjoys a higher reputation in the teaching of boys and young men? I do not think there is. He is well known, I am sure, to my hon. friends from the Toronto area, and indeed to many people throughout Canada. He is to head the academic staff of the college. He will have with him some men who were formerly at the Royal Military college, which, as hon. members know, has been closed for the duration so far as its ordinary purposes are concerned. Three or four of its instructors are going to assist us temporarily in the foundation of the naval college. We shall also have some naval officers, Captain Grant and several others of experience.

Mr. HANSON (York-Sunbury): Is he to be the commandant?

Mr. MACDONALD (Kingston City): Yes, he will have charge of discipline and the like, and Kenneth Ketchum will be in charge of the academic instruction. There is no dearth of available men to man the college, and man it well. I am sure it will be a credit to this country.

Mr. DOUGLAS (Weyburn): Is the Wassermann test given to young men who want to join the navy?

Mr. MACDONALD (Kingston City): We probably do what the other two services do. Is it given in the army?

Mr. DOUGLAS (Weyburn): It is optional in the army, I understand.

Mr. MACDONALD (Kingston City): I will find out about that.

NATIONAL WAR SERVICES

Hon. J. T. THORSON (Minister of National War Services): Mr. Chairman, it was intended that I should follow the Minister of Munitions and Supply but it was impossible for him to be here this afternoon. In order, therefore, to save the time of the house and of the committee I shall commence with my statement.

With the permission of the committee I should like to make a general statement with regard to the national war services regulations, their operation, their results, the main amendments that have been made since last I addressed the committee on this subject, and then give some comments on criticisms that have been made. That general statement might then serve as the basis for questions from members of the committee.

Last November I gave a brief resumé of the procedure that is laid down under the regulations from the time that the Department of National Defence sends its requisition to the Department of National War Services and the man who is called up reports to the training

centre. I do not think it necessary to review that procedure again. Roughly, the relationship between the Department of National Defence and the Department of National War Services is that the Department of National Defence sends a monthly requisition to the Department of National War Services. The nature of that requisition was explained to the committee by the Minister of National Defence on May 4. The requisition states the number of men required to report to the training centre; it gives the total number of men required for the month. The detail of how that requirement is broken up is contained in a schedule attached to the requisition. It is indicated, for example, how many men are to report to the various training centres across the country. The requisition not only gives the total number of men required for the particular month and the date on which the men are required to report, but it also breaks down the requisition into the various training centres and administrative divisions.

Mr. GREEN: Which department decides what age the men are to be?

Mr. THORSON: The matter of age is settled by a proclamation which is issued under the provisions of the national war service regulations.

Mr. HANSON (York-Sunbury): That is a matter of government policy.

Mr. THORSON: It is a matter of government policy from time to time. A proclamation is issued. The most recent one called men up who were born in the years from 1912-1922, I believe. Then it is the duty of the Department of National War Services to comply with the requisition which comes from the Department of National Defence and to call men up for training in accordance with the requisition.

Mr. MacNICOL: By mail?

Mr. THORSON: We send out notices to the men in the various administrative divisions.

Mr. HANSON (York-Sunbury): That is, the notice is sent out by the divisional registrar?

Mr. THORSON: It is sent out by the divisional registrar. We operate the regulations through thirteen administrative divisions. In general these administrative divisions coincide in geographical outline with the military districts. There are two exceptions in that regard. Each one of these administrative divisions is headed by a board which consists of three persons. The chairman of the board is a judge of the superior court or other court of the province in which the greater portion of the administrative division is located, and there are two other members of the board. There is also a divisional registrar, who is the administrative officer of the division. In addition to the members of the board there are four persons who have a right to be present at hearings of the board and to make representations to it. These persons are respectively, a representative of the Department of National Defence, of the national war labour board, of agriculture, and of the director of national selective service. These four representatives are not actually members of the board, but they have the right to be present at all hearings and to make whatever representations they deem fit.

Mr. BLACKMORE: What is the basis on which the representative of agriculture is selected? Is he chosen from among the farmers?

Mr. THORSON: The desire is to find a person who thoroughly understands the agricultural situation in the administrative division and will see that those interests are safeguarded as far as possible.

Mr. HANSON (York-Sunbury): Well, he is named by the minister.

Mr. THORSON: He is named by the minister.

Mr. HANSON (York-Sunbury): Certainly. He represents the minister.

Mr. MacNICOL: And they act only when an appeal is being made to the board?

Mr. THORSON: They appear before the board when the board hears applications for postponements.

Mr. BLACKMORE: On whose advice does the minister name the representative of agriculture? Does he listen to any of the agricultural organizations?

Mr. THORSON: Yes, he listens to them.

Mr. DOUGLAS (Weyburn): Does he pay any attention to them?

Mr. THORSON: That, generally, is the relationship between the Department of National Defence and the Department of National War Services.

Mr. HANSON (York-Sunbury): Who is the representative of the department of agriculture in the province of New Brunswick?

Mr. THORSON: Mr. T. Allen Best. He is a farmer and returned soldier of Stanley, in York county, New Brunswick.

Mr. HANSON (York-Sunbury): Is there a man by the name of Barker on that list?

Mr. THORSON: No.

Mr. HANSON (York-Sunbury): Best is the man?

Mr. THORSON: Best is the representative of agriculture.

Mr. PERLEY: Who is the representative for Saskatchewan?

Mr. WRIGHT: Would the minister give the names of the representatives of the prairie districts?

Mr. THORSON: As yet only five representatives of agriculture have been appointed. If it is desired that I shall put their names on the record, I shall be glad to do so: administrative division E, with headquarters at Montreal, Anatole Gascon, a farmer of St. François de Salle, Quebec; administrative division F, with headquarters at Quebec, Mr. J. A. DeBlois, insurance broker, of Beauceville East.

I have given the name of the representative of agriculture in New Brunswick. Then for administrative division I with headquarters at Charlottetown, P.E.I., Mr. Gordon Holmes, who is a barrister located at Charlottetown. For division N, headquarters at Edmonton, Mr. Walter Bissell, a farmer of Viking, Alberta.

Mr. ROSS (Souris): When will appointees be selected for the other provinces—Manitoba for instance?

Mr. THORSON: I cannot say when the other appointments will be made. Representations are being made from time to time. The matter is perhaps not quite as important now as it was prior to March 23, when the new regulations relating to persons wholly or mainly employed in agriculture came into effect. But consideration is being given to the subject.

Mr. BLACKMORE: Did the minister consult the provinces?

Mr. THORSON: In some cases yes. There is no fixed procedure in regard to the matter.

Mr. WRIGHT: Have all the representatives of labour been appointed?

Mr. THORSON: I think they have, but I am not sure about that. They are not appointed by the Minister of National War Services, of course; they are representatives of the national war labour board.

Mr. DIEFENBAKER: What control if any has the minister over the several national service boards in the various provinces with a view to securing uniformity of interpretation and application of the regulations?

Mr. THORSON: I pointed out that the divisions are presided over by a board the chairman of which is a judge. The decisions of the boards on applications for postponement are final. The boards have exclusive jurisdiction in the matter of either granting or refusing an application for postponement. The subject of uniformity of decision has come up again and again. The hon. member for Lake Centre will appreciate that the decisions on these applications for postponement are decisions on questions of fact, and I do not see how you could have uniformity of decision on questions of facts when the facts vary in different cases.

Mr. HANSON (York-Sunbury): There could be uniformity in guiding principles, could there not?

Mr. THORSON: Yes. With regard to uniformity in practice, every effort is made to bring that about as far as is possible in view of the fact that the decisions are decisions on questions of fact. We held a conference in Ottawa on April 3, 4 and 5 of the chairmen of the boards and the divisional registrars. They held three sessions on Thursday, two on Friday and two on Saturday. The purpose was to have a general conference on the administration of the regulations, to discuss suggestions for improvement in the regulations, and to consider the kind of matters that the leader of the opposition has just referred to, that is, general principles of practice and the like. I think that is about as far as it is possible to go when the boards are dealing with questions of fact.

Mr. HANSON (York-Sunbury): What action is being taken by the department or the local divisional boards with respect to reexamination of rejects? There has been drawn to my attention in my own province the fact that there is a fairly large number of rejects, 10 per cent or more of those called up. A man is entitled to go to his family physician. It is no reflection on the medical profession to say that if a man who does not want to respond to the call goes to his family physician there is a suggestion at least that he might be treated with some leniency. One case came to my attention where a big strapping young man, capable to all appearances of shouldering a barrel of flour, went to his family physician and was rejected on the ground that he had a weak heart. It is almost impossible for me to believe that was the case, and it became the talk of the community. His name was submitted to the local divisional registrar for a recall, and the local official thanked his informant very earnestly and said: "That is just the sort of thing we want." But it should not be left to mere chance. There should be some systematic effort to determine

whether the medical examinations in the first instance were correct or not. What is the minister doing about this matter? I called his attention some months ago to this very thing, and I had hoped there would be a systematic method of reviewing rejections. I think the minister will have to change his policy. The question of calling up men for military service has now reached the stage where the men should be examined by a military board. That may cause a little inconvenience and some expense, but at least we would have the assurance that nobody is going to play any favourites. I recommend that course to the minister if he has not already adopted it, and the sooner he adopts it the better.

I should like some information from the minister as to how many rejects have been reexamined, clear across Canada. Has there been a systematic effort in that regard, and what are the results of reexamination?

Mr. GILLIS: I rise to a point of order. The minister stated that he intended to make a statement to the committee. Is it the intention to proceed with this department the way we did with the other two? Hon. members are now making statements rather than the minister. I should like the minister to explain to the committee what his department is doing. Is it the intention that we should cross-examine the minister without any knowledge of what the department is doing, or to proceed as we did with the other ministers? This is the most important department of government to-day, handling, as it does, the national selective service programme, and we know nothing about it.

Mr. HANSON (York-Sunbury): I do not think there is any point of order involved. Any hon. member is free to ask a question in committee at any time. I do not take kindly to the lecture the hon. member has just administered to me.

Mr. GILLIS: I still pursue my point of order and ask for a ruling.

The ACTING CHAIRMAN (Mr. Bradette): In committee considerable latitude is given. The minister is here to explain the activities of his department and is willing and ready to answer any questions. If he is willing to do that I believe he is perfectly within his rights; but it is left in the hands of the minister himself.

Mr. HANSON (York-Sunbury): Of course if the minister objects to the question I shall wait, but I may not be here on another occasion, and I do not want to miss the opportunity to ask a question on this very important point which I have suggested, and which arises naturally out of the sequence of events which the minister has been detailing.

Mr. THORSON: I had intended to deal briefly with the various questions raised by the leader of the opposition I think on March 25, among which is the matter to which the hon. gentleman has just referred. At that time I indicated that I would welcome any constructive criticism that would make these regulations more workable and better adapted to the purposes for which they were devised because, as the hon. member for Cape Breton South has said, these regulations are of great importance at the present time.

I noted that the leader of the opposition made the suggestion that all men should be examined by army medical boards instead of being examined by physicians of their own choice. I think that when the hon. gentleman considers the whole situation he will agree that his suggestion is not practicable, for two reasons. In the first place the men get their notices at their places of abode. In countless places it would not be possible to have an army medical board, since many of them are far removed from any centre where such a board could sit. So the requirement is that in the first instance, when the man gets notice to report for a medical examination, he may go to the physician of his own choice. But the matter of his medical category does not rest there, and of course it is agreed by everyone that it should not rest there. If the man is category A, then of course there is no further question. If he is below category A, then his case may and should be reviewed. The medical adviser in the division goes over all the medical certificates that come back from the physicians and reviews and checks them. He may direct that a man should report to some other doctor for medical examination, and frequently he does.

Mr. HANSON (York-Sunbury): How frequently?

Mr. THORSON: On many occasions. I could not indicate the number, but a very careful check is made of the answers given by the examining physician. There is a very complete form which the examining physician is required to fill out as a result of his medical examination, and very frequently the medical adviser, in looking over the answers, comes to the conclusion that the physician was in error in his final decision as to the category of the man, and may change that category himself to a higher category; or if the answers of the examining physician cast any doubt as to the

category of the man, the adviser may direct that the man report to another doctor for examination.

That does not conclude the matter, but before dealing with the revision boards I should indicate my second reason for stating that the suggestion made by the leader of the opposition that army medical boards examine all these persons is impracticable; that is, that there are not enough doctors available in Canada to constitute sufficient army medical boards for the examination of these recruits.

Mr. HANSON (York-Sunbury): Is that not an argument for a board? They have them at every district depot, for instance.

Mr. THORSON: Then I think another argument could be presented. It by no means follows that the examination by an army medical board would be better than an examination by a practising physician in the country. Many of the army medical boards are composed of men who graduated only comparatively recently from medical colleges.

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

Mr. THORSON: Many of the army medical boards are composed of fairly young practitioners. I think it will be generally agreed by those who have been studying this procedure, which was worked out in cooperation with the Canadian Medical Association, that the present system, of a preliminary examination by the physician of the man's own choice; a review of that examination by the medical adviser in the division, and then a subsequent review by a revision board, in the main is working out very satisfactorily. I think it is also agreed, however, that the mere fact that a physician has found a man to be below category A should not be regarded at any time as a final categorization of that man, because a man who is B to-day may become A in two or three months. I agree with the leader of the opposition that in respect of persons in categories below A, they should be continuously the subject of review, except of course in respect of those ailments because of which a man could not possibly become A.

Mr. HANSON (York-Sunbury): Patent defects.

Mr. THORSON: Yes, and others of a much more serious nature, even, than patent defects. Under the regulations we have provision for the establishment of civilian revision boards, which are being set up across Canada as rapidly as possible. The purpose of these revision boards is to review the cases of persons who are below A and who might be raised to a higher category than that set by the examining physician or by the medical adviser in the division. It has taken some time to establish these revision boards; they are not completely established as yet, but a very large number have been set up.

I have a statement of the men who have been reexamined as of March 30, 1942, by medical revision boards. With the leave of the committee I will put this table on *Hansard*, because it indicates the manner in which the boards operate, and the results obtained It is as follows:

Men Reexamined by Medical Revision Boards as of March 30, 1942

Original Categories		Revised Categories							
Medical Categories	Number of men	A-1	A-2	B-1	B-2	C-1	C-2	D	E
A-1 } *A-2 }	256	124	5	22	7	19	11	17	51
B-1	538	275	16	61	18	47	27	6	88
B-2	181	76	8	15	9	22	12	5	34
C-1	226	80	3	19	6	43	15	3	57
C-2	254	90	3	21	7	21	33	3	76
D	219	96	..	20	8	23	17	13	48
E	483	127	5	24	16	59	44	20	188
No category	12	7	..	..	..	3	1	..	1
Total	2,169	869	40	182	71	237	160	67	543

* Medical category A-2 was established only on October 4, 1941. As a result, very few men have been placed in this category and none of these was sent before a medical revision board.

Mr. DOUGLAS (Weyburn): What was the total number raised?

Mr. THORSON: The total number reexamined is 2,169.

Mr. DOUGLAS (Weyburn): How many of those have been raised to category A?

Mr. THORSON: Of that number 909 were raised to or confirmed in medical category A.

In some instances, as the table will show, those originally in category A were revised downward by the revision boards, and in other cases lower categories found originally by the physicians first examining were raised by the revision boards.

Mr. DOUGLAS (Weyburn): How many were lowered?

Mr. THORSON: It is a matter of arithmetical calculation. Of the group taken, 256 were found by the examining physician to be in category A-1. That group came before the revision boards and the boards found there were in that class only 124 in category A-1.

Then, the original examining physicians placed 226 in category C-1. Reviews by medical boards disclosed that 80 of those men were properly in category A-1. The table shows the results of revisions, but it also shows something else of great interest, namely, the human element involved. The same is found in regard to army medical boards. With respect to those army medical boards there is no certainty of complete uniformity in medical categorization, merely by the device of using such boards. There are differences of opinion.

Mr. BRUCE: Are these so-called revision boards composed only of medical men?

Mr. THORSON: Yes, exclusively of medical men—the best civilian medical men we can find. Each is recommended and selected by the Canadian medical association.

Mr. DOUGLAS (Weyburn): One board for each district?

Mr. THORSON: No; there are numerous boards. It seems to me that each week I am signing approvals with respect to members of revision boards. We are appointing such boards as rapidly as we can set them up. A great number of men are now serving on them. I am informed that every person on these revision boards has been recommended by the Canadian medical association.

Mr. BROOKS: Are they permanent appointments?

Mr. THORSON: No.

Mr. BROOKS: They have no fixed salary?

Mr. THORSON: No; they are paid a per diem allowance for the days they sit.

Mr. DOUGLAS (Weyburn): How do these men come before the boards? Does every man come before a board at some time or another?

[Mr. Thorson.]

Mr. THORSON: No, not every man. Section 12 (4) of the regulations states that whenever doubt may arise as to the accuracy of the "medical examination and certificate form" completed by an examining physician, the divisional registrar may notify the man concerned to submit himself for another medical examination by a medical revision board, of three examining physicians, appointed by the minister, at such time and place as the divisional registrar shall indicate.

We are proceeding as rapidly as circumstances permit with the reexamination of men in categories lower than A-1. Up to the present there has not been a tremendous need in that regard from the point of view of filling the requisitions sent to us by the Department of National Defence. But we are not losing sight of the fact that men found by one doctor to be in one category may really be in another higher category; and it is our desire that there shall be the closest scrutiny of the matter of medical categories.

Mr. GREEN: What about the reconditioning, under order in council P.C. 2229?

Mr. THORSON: That was provided for by an order in council presented to the house on March 24. The provisions are found in an appendix to the *Votes and Proceedings* of that date. There has not been a great deal done as yet under the provisions of that order in council. Perhaps I should state that too much should not be expected from the reconditioning of these men. There is a general opinion, for instance, that comparatively few operations can be performed which will raise a man's category from below category A to category A. There is a good deal of doubt, for example, with respect to the curing of hernias by operations.

Mr. ROSS (Moose Jaw): Will it be possible for the men who might be operated on and raised to higher categories to choose their physicians, or must that be done by some physician nominated by the department?

Mr. THORSON: The actual reconditioning will be done under the auspices of the Department of Pensions and National Health. I assume it will be done by doctors of their choice, but there is no compulsion in the matter. No one is compelled to undergo surgical treatment. If a man does not want to undergo surgical treatment at the hands of a doctor of the Department of Pensions and National Health, there is no obligation upon him to do so.

Mr. ROSS (Moose Jaw): Would it not be well for the department to consider allowing the applicant to have his own physician, one he knows himself, carry out the operation under the same scale of fees that are paid by the Department of Pensions and National Health? This would enable the doctors throughout the community to carry on some of this work for the government.

Mr. THORSON: I shall be glad to bring that suggestion to the attention of my colleague.

Coming back to the question raised by the hon. member for Cape Breton South, I dealt with the subject of medical examination because the leader of the opposition raised the question this afternoon. I had intended to deal with it later, but if members of the committee will permit me I should like to give a general statement as to the operation and results of the national war services regulations.

The total number of men requisitioned by the Department of National Defence in fifteen training periods from October 9, 1941, to March 12, 1942, was 123,840. Of that number, 88,100 were requisitioned for the first three training periods when the training period was for only thirty days duration, leaving 35,740 requisitioned for the full four months training period, with the trainees subsequently being held in the service of the Canadian army by reason of a ministerial order of the Minister of National Defence (Mr. Ralston). Those are the totals of the men requisitioned by the Department of National Defence. We sent out the necessary notices, heard applications for postponement, sent out notices to report and there actually reported for those fifteen training periods 131,619 men, of which 90,218 were the thirty-day trainees, leaving a remainder of 41,401 who reported to the camps for the full period of four months training and subsequent service in the Canadian army for the duration of the war.

In order to indicate whether we have actually lived up to the requisitions, I shall give another set of figures. The number of men who were actually accepted at the training centres and who underwent training was 120,334, of whom 82,893 were thirty-day men and the remainder of 37,441 being four months and subsequent service men. If hon. members will look at these figures, it will be seen that the total number of four months and subsequent service men requisitioned by the Department of National Defence was 35,740 and that we sent 37,441 fit men who were accepted for training and who actually underwent training, or a surplus of 1,700 over the number requisitioned. I think we can say that our department has filled all requisitions sent to us by the Department of National Defence.

In addition to the four months period men, we also act for the Department of National Defence in recalling men who had thirty-day training. It will be recalled that the men who finished the thirty-day training period were taken on the strength of the militia units and became members of the reserve army, and since that time they have been subject to the reserve army regulations. We act for the Department of National Defence and in the name of that department recall these men for further military training and subsequent service. We received requisitions for the recall of 13,650 thirty-day men. We called up these men, heard their applications of one kind or another and actually sent 14,387 to the training centres. At the training centres 12,539 of the men that we had ordered to report were found to be fit. It will be remembered that when the thirty-day training period was in effect we sent men to the training centres with categories lower than A-1, whereas now in respect of the four months men the Department of National Defence asks us to send to the training centres only category A-1 men. That generally is a review of the operation and results of the regulations from the point of view of whether we have complied with the requisitions that came to us from the Department of National Defence. I think I may properly say that this performance speaks well for the administrative divisions. I believe it will be generally agreed, although there are some criticisms of individual cases, that the administrative divisions have performed in an excellent manner the difficult task that has been assigned to them.

If I might pass from that subject, I should like to deal with the main amendments which have been made to the national war services regulations, since I spoke on this subject last November. Much the most important amendment is the one that was made by order in council P.C. 2252, dated March 21, 1942, relating to persons wholly or mainly employed in agriculture. That amendment to the national war services regulations was made necessary by the stabilization of employment in agriculture regulations, 1942, as enacted by order in council P.C. 2251. Both of these orders in council are set out in full in the appendix to the *Votes and Proceedings* of March 24. These amendments constituted a

very important departure from the base of the regulations as they had existed up to that time.

There was some misunderstanding as to the effect of these amendments and as to their application to persons who are wholly or mainly employed in agriculture; that is, those persons who on March 23 were wholly or mainly employed in agriculture. In view of that misunderstanding I thought it desirable that I should issue a press release as to the effect of the amendments and their application to the persons who were to be covered by the regulations. With the leave of the committee I should like to put this press release on *Hansard* so that it may become part of the records of this discussion.

Mr. DOUGLAS (Weyburn): Is it just being released now?

Mr. THORSON: No. This release was issued by me on April 17, and I gave instructions that a copy of this release, which was issued in both English and French, should be sent to every member of the house and of the upper house. I take it that leave to put this release on *Hansard* is accorded, and I suggest that members who represent agricultural areas might read it and then subsequently, when I am before the committee again, put such questions as they may desire to ask. The release is as follows:

Ottawa, April 17, 1942.

Press Release by Hon. J. T. Thorson, Minister of National War Services.

There still appears to be some misunderstanding of the effect of the national war services regulations, 1940 (recruits) as amended by order in council P.C. 2252, dated March 21, 1942, and their application to persons who are "wholly or mainly employed in agriculture".

The national war services regulations, 1940 (recruits), govern the subject of calling up men for compulsory military training. They were amended by order in council P.C. 2252 in order to give effect to a fundamental alteration in government policy as laid down by the "stabilization of employment in agriculture regulations, 1942", enacted by order in council P.C. 2251, dated March 21, 1942.

The national war services regulations are administered by thirteen administrative division boards, each board consisting of three members, of which the chairman is a judge of a superior or other court of the province in which the larger part of the administrative division is situated.

The amendments to the national war services regulations contained in P.C. 2252 apply only to the persons who are covered by the term "person wholly or mainly employed in agriculture". The term "person wholly or mainly employed in agriculture" is specially defined in the amended regulations. The term applies only to the following two classes of persons; it means

(1) any person, who on the 23rd day of March, 1942, was wholly or mainly employed or engaged in agriculture, and it includes

[Mr. Thorson.]

(2) any person, who on the said 23rd day of March, 1942, was employed or engaged, but only seasonally, in a primary industry, but whose last employment or occupation immediately prior to such seasonal employment or engagement in a primary industry was wholly or mainly in agriculture.

For the purposes of the amended regulations, the term "agriculture" means the production of field crops, fruits, vegetables, honey, poultry, eggs, live stock, milk, butter or cheese, and the term "primary industry" means and includes lumbering and logging, forestry, fishing and trapping.

The amended regulations do not apply to any other classes of persons. They do not apply to any persons, who, prior to March 23, were engaged in activities other than agriculture or seasonal primary industries, as defined in the amended regulations. Consequently, any persons who left their occupations after March 23, 1942, with a view to returning to or engaging in agriculture in order to obtain postponements of military training until further notice will not be able to do so. All such persons are still subject to the national war services regulations as they stood before the recent amendments. Such persons may still make applications for postponement of their military training, but such applications for postponement will be dealt with by the divisional boards in the same manner and subject to the same principles as heretofore.

The procedure for administering the national war services regulations, as amended, may be briefly summarized, so far as they relate to the classes of persons covered by the amended regulations, as follows:

(1) "Notices—medical examination" under section 12 of the regulations will be sent out by the divisional registrars in exactly the same manner as heretofore. There will be no change in this procedure.

These notices must not be disregarded. Failure to comply with the requirements of the notices, namely, to report for medical examination, will render the person guilty of such failure, liable to the penalties imposed by law.

(2) On receipt of the "Notice—medical examination" the person to whom the notice is addressed may, if he wishes to do so, apply for a postponement order, but he must do so in writing to the divisional registrar who sent him the notice within eight clear days of the date appearing on the notice.

(3) If the person who receives the notice is a "person wholly or mainly employed in agriculture" as defined in the amended regulations, he may apply for a postponement order on the ground that he is a person wholly or mainly employed in agriculture within the meaning of the amended regulations. He need not assign any other ground for his application.

(4) The application will then be dealt with by the divisional board as it deals with other applications for postponements.

There is, however, this fundamental difference, namely, that if the applicant is a person wholly or mainly employed in agriculture within the meaning of the amended regulations, the board, subject to certain exceptions hereafter mentioned, shall grant him a postponement order until further notice and such postponement order shall be an allocation of such person to agriculture.

It is this direction to the board, namely, that the board shall grant him a postponement order until further notice, that constitutes the "fundamental alteration of the policy regarding compulsory military training and service where such service touches persons wholly or mainly employed in agriculture," referred to by the Prime Minister in his speech in the House of Commons on Tuesday, March 24, 1942.

Previously, under subsections (1) and (2) of section 14 of the National war services regulations, it was provided that the board "shall have power to grant an advancement or postponement order when it is of the opinion that it is in the national interest to do so," but there was no obligation upon the board to grant such orders. The matter was left to the discretion of the boards.

It was also provided that "no postponement order may be made for more than six months, but, upon reviewing the application, the board may grant one or more extensions." It was also provided that in respect of certain applications for postponement, such as by a man engaged in farming, fishing, lumbering, trapping, etc., "the board shall take into account the supply of labour available and the importance of the particular applicant's occupation to the national economy."

There has therefore been a fundamental change of base in the regulations. It is not a question of greater latitude having been given to the boards in the matter of granting postponement orders. Nor is it a matter of preferential treatment. The amendments go much further and constitute a fundamental change of approach, both by the applicant and by the board. When the applicant has shown that he is a person wholly or mainly employed or engaged in agriculture within the meaning of the amended regulations, he is prima facie entitled to a postponement order until further notice. He does not have to prove, as was the case formerly, a special case for postponement of a fixed duration.

The fundamental change in the character of the amended regulations may be stated as follows. Under the regulations as they stood prior to the amendments, the applicant had to make out a special case for postponement. The granting of a postponement order was within the discretion of the board and the postponement order was only for a fixed period of time. The applicant was still regarded as being a person primarly required for compulsory military training when his period of postponement was concluded. Under the amended regulations the situation is entirely changed. When the applicant has shown that he is a person wholly or mainly employed in agriculture within the meaning of the amended regulations, it is mandatory upon the board, subject to the exceptions hereinafter mentioned, to grant the postponement order. Furthermore, the postponement order is until further notice and it constitutes an allocation of the applicant to agriculture rather than to military service.

Precautions have been taken against abuse of the regulations and their undue extension to persons not intended to be covered by them. The board is not required to grant a postponement order until further notice to an applicant if it is established to the satisfaction of the board, either (1) that the applicant is not an essential worker in agriculture, or (2) that the applicant has at any time subsequent to March 23 ceased to be actually employed or engaged in agriculture or in a primary industry. The onus of proof in each of these cases is not upon the applicant. These safeguards against the undue extension of the amended regulations to persons not intended to be covered by them are within the exclusive jurisdiction of the divisional boards.

Where a person is wholly or mainly employed in agriculture within the meaning of the amended regulations and has been granted a postponement order until further notice, there is an allocation of such person to agriculture.

The effect of the amended regulations will therefore be as stated by the Prime Minister in the House of Commons on Tuesday, March 24, 1942, "Under new regulations, farmers, farmers' sons and agricultural labourers will normally not be obliged to undertake compulsory military training and service."

At hearings of the boards, representatives of the Department of National Defence, of the national war labour board, of agriculture and of the director of national selective service are entitled to be present and to make such representations as they may deem fit. Their presence and their right to make representations to the boards are intended as guarantees that all interests connected with the war effort and the manpower requirements for the war effort in each aspect of it will be safeguarded.

The divisional boards have since their inception dealt in a judicial and sympathetic manner with applications for postponement made by farmers and other persons engaged in essential activities. In some agricultural areas of Canada, particularly areas close to large cities with large concentrations of war industries, the agricultural situation was becoming serious as the result of a number of causes, such as a large flow of agricultural labour into war industry, extensive voluntary enlistments with the armed forces, and, to a lesser degree, the calling of men for military training, and the ability of the country to carry out its agricultural commitments in the matter of essential food production was being threatened. It was therefore necessary to enact the "stabilization of employment in agriculture regulations, 1942." The essential purpose of these regulations is to prevent the agricultural situation in Canada from deteriorating beyond its present position and to enable the country to carry out the important food production aspect of its war effort.

The purpose and objective of these regulations and of the amendments to the national war services regulations were stated by the Prime Minister in the House of Commons on Tuesday, March 24, 1942, in the following terms:—

> The policy of stabilizing employment in agriculture represents what, in effect, is a block allocation to agriculture of the persons best fitted for food production. It constitutes a form of large scale selection for national service which should go far to ensure the supply of manpower essential to the food production aspect of the national war effort.

Care has been taken to provide against abuses of postponement orders until further notice. A person who has been granted such a postponement order and has thus been allocated to agriculture may lose the right to such postponement and allocation if he ceases to be actually employed or engaged in agriculture or in a primary industry and such fact is brought to the attention of the board by any of the representatives above referred to.

Persons who are not wholly or mainly employed in agriculture within the meaning of the amended regulations should not leave their present employment in the hope of obtaining postponements until further notice. If they can establish a case for a postponement of military training on sound grounds, they are still free to make application for postponement under the regulations as they stood prior to the recent amendments and the divisional boards will deal with such applications upon their merits. If, indeed, such persons leave their present occupations in the hope of obtaining postponements until further notice and their occupations are essential occupations, they may forfeit whatever claim they may have had otherwise to postponement under the regulations as they stood before the amendments.

A conference of the chairmen and divisional registrars of the thirteen administrative divisions will be held in Ottawa on April 23, 24 and 25 for the purpose of discussing the amended regulations and other matters connected with the administration of the national war services regulations generally.

I would point out that these regulations apply only to persons who are wholly or mainly employed in agriculture. That term was specifically defined in the amendments to the regulations and must be read in the light of that definition.

I should also like to make clear that under these amendments the notices to report for medical examination go out in exactly the same way as notices went out before the amendments came into effect. That is, of course, absolutely necessary in order to keep track of the men, for it is impossible to determine without a review of the case whether the man is wholly or mainly employed in agriculture within the meaning of that particular term. It is necessary to keep track of the men, and they get their notice to report for medical examination in the same way as notices go out to anyone else.

There is another point, and I think this may answer what my hon. friend the member for Weyburn has in mind. The regulations are made applicable by the boards to the persons who apply for a postponement order until further notice. The reading of the order in council makes that perfectly clear. The important section of order in council P.C. 2252 is made subsection 3 of section 14 of the regulations, and it is clear from section 5 of the order in council that the applicant must first make application before the board can deal with his case, apply the regulations to his case and give him a postponement order until further notice, as referred to in the amendment.

Mr. DOUGLAS (Weyburn): Would the minister explain the position under the regulations of those who were called up on April 9?

[Mr. Thorson.]

Mr. THORSON: My understanding of that point which the hon. member raised when my colleague the Minister of National Defence was before the committee is this. The regulations came into effect on March 23, but they came into effect only in respect of persons who made application after that date, so that if persons had been ordered to report before March 23 but had not in fact reported, those persons could, immediately after March 23, when the regulations came into effect, have made application on the ground that they were persons wholly or mainly employed in agriculture. Then they would have brought themselves under the regulations. If they did not make the application, then of course there was no way for the board to deal with their cases.

Mr. SENN: In that connection, what provision was made for acquainting these young men, at the time they were called up or any time subsequent to the passing of the order in council, that this course was open to them; and, if they were not aware of that course until they appeared before the boards, were they made acquainted with it then? Is there any provision for that being done?

Mr. THORSON: This is one of those questions which involve difficulties. When you make changes in the law it takes a certain amount of time for everyone to become familiar with them. I believe a great deal of publicity was given to the changed policy as a result of the Prime Minister's statement in the house on March 24, and the manner in which the press carried that news. Indeed, if we are to believe the newspaper reports, a tremendous number of men flocked back to the farms. All the administrative boards were notified immediately of the amendments, and I think, by and large, as much publicity was given them as possible.

Mr. NICHOLSON: What date did you give your press statement?

Mr. THORSON: I did not issue my press release until April 17. I was absent in the west prior to that time for some days.

Mr. HANSON (York-Sunbury): As a matter of fact, there was not any notification given to each individual—

Mr. THORSON: Oh, no.

Mr. HANSON (York-Sunbury): —as he came up in answer to the call?

Mr. THORSON: Oh, no. Notifications were not sent to individuals.

Mr. HANSON (York-Sunbury): I did not say that. He was not told when he reported for duty that he had certain rights and what could bring him within those rights?

Mr. THORSON: I do not know what happened at the training centres.

Mr. MacINNIS: But would it make any difference whether he had been notified for an examination if on the 23rd of March, 1942, he was engaged wholly or mainly in agriculture? I have in mind paragraph (jj) of section 2 of order in council 2252. I assume that paragraph means what it says, and if it does it would not make any difference whether he had been notified before this went into effect or afterwards, if he was engaged wholly or mainly in agriculture.

Mr. THORSON: Subsection 5 of the same order in council requires a person who is wholly or mainly employed in agriculture to make an application. If he does not make application, how is he to get his postponement order until further notice? The board grants postponement orders until further notice only in respect of persons who have applications for them.

Mr. BLACKMORE: What would be the position of a young man who had been called from agriculture four or five months prior to the passing of this order in council of March 23, and would have been entitled to postponement of military service had the order in council been passed before he was called, but who has gone into the army, taken his training, and been detained for military service? What can that young man do in order to qualify for postponement of service? Is there any way in which he can get back to the farm?

Mr. THORSON: No; there is no way in which he can get back to agriculture, either permanently or indefinitely, unless the Department of National Defence lets him out.

Mr. HANSON (York-Sunbury): Then they do not let him out permanently.

Mr. THORSON: The Department of National Defence does not let him out permanently except in cases of discharge, the number of which is very limited.

I may be able to say something which will satisfy the hon. member for Lethbridge. The purpose of the regulations relating to the stabilization of employment in agriculture, 1942, was to prevent the agricultural situation in Canada from getting any worse than it was. In some parts of the country it was a good deal more serious than in other parts, agricultural labour having almost vanished from those districts. But it was felt that by and large across the country, Canada, from the point of view of its agricultural commitments as part of its war effort, could fill those commitments provided there was not any further undue strain on the ranks of agriculture. Therefore the essential purpose of the regulations was to prevent the agricultural situation in Canada from deteriorating from its then position. It was to make sure that there would be enough agricultural labour left on the farms to enable this country to carry out the agricultural objective of our war effort, namely, to raise as much in the way of essential food supplies for Britain and our other allies as could be transported overseas, and also enough to maintain the life of the nation. That was the essential purpose of the regulations.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. BLACKMORE: When the committee rose at six o'clock the minister was explaining to some extent what should be done with respect to a soldier who had been called up for training some months prior to March 23. He had made it clear that the regulations of that order did not apply to that soldier. Would he explain whether or not a soldier who had been called up, say four or five months prior to March 23 and had applied to the Minister of National Defence for consideration, which had been granted, would have to apply to the minister's department afterwards?

Mr. THORSON: This matter was dealt with quite extensively by the Minister of National Defence, and a number of questions have arisen out of the discussion that took place when that point was up for consideration.

When a man who has been called up under the national war service regulations reports to the training centre he is out of the jurisdiction of the Department of National War Services and is subject to the jurisdiction of the Department of National Defence. On March 12 of this year order in council P.C. 1916 was passed, by way of amendment to the reserve army (special) regulations of 1941. Under section 23 of these regulations as amended, provision is made for an application for leave being made by the R recruit, as he is termed. He makes that application to his commanding officer, in writing, showing the reasons and facts upon which it is based,

together with statements corroborating the facts made by statutory declaration or attestation under oath. The commanding officer forwards the recommendation to the district officer commanding. The district officer commanding may forward the application, with whatever recommendation or representation he may see fit, to the appropriate national war services board. It is not obligatory upon the district officer commanding to forward the application for leave to the national war services board. The reason for not making it mandatory for the district officer commanding to forward the application is to discourage frivolous applications. I think hon. members can rest assured that every bona fide application, every application with merit in it, will be referred by the district officer commanding to the national war services board.

The reason why this arrangement was arrived at was, in the main, to secure uniformity of treatment in dealing with applications for leave coming from persons who were soldiers by reason of the fact that they had reported to a training centre and were subject to the jurisdiction of the Department of National Defence. In the regulation that I have cited, No. 23 of the reserve army (special) regulations of 1941, referred to in order in council P.C. 1916, it is provided that leave may be granted upon such circumstances, reasons or grounds being established as would have entitled the applicant when called out *ab initio* to postponement before the commencement of his training. The idea was that the district officer commanding would forward these applications for leave to the national war services board, and the national war services board would deal with these applications for leave upon the same circumstances, reasons and grounds as would govern the board in dealing with an application for postponement of military training. That was the purpose, to get uniformity.

The boards hear these applications. They may investigate the case and, after a review or rehearing thereof, may make recommendations to the district officer commanding. On receiving a recommendation of the board the district officer commanding will grant leave for the period recommended by the board. It is mandatory upon the district officer commanding to grant the leave in accordance with the recommendation of the board. That, of course, is subject to the exigencies of the military situation, which might require that that leave be curtailed or refused. Apart from that, the recommendation made by the board is binding upon the military authorities.

[Mr. Thorson.]

Mr. BROOKS: What is the effect of the recommendation of the commanding officer? Why is it asked for?

Mr. THORSON: I suppose it is asked for in the ordinary run of procedure. The man makes his application for leave to his own commanding officer in the training centre or whatever unit he is attached to, and his application goes to the district officer commanding.

Mr. BROOKS: Does the minister not think it is the policy to follow the recommendation of the commanding officer rather than of this board? Is not that what is developing?

Mr. THORSON: There have been two schools of thought on the subject. It has been thought that since the man is a soldier he should be dealt with in the ordinary way as a soldier, make his application for leave to his commanding officer and let his commanding officer determine the granting or refusing of the application. But it was represented that in connection with these applications for leave made by R recruits, the Department of National Defence did not have the machinery for dealing with them in a uniform way across the country, whereas the national war services boards have had long experience in hearing applications and, knowing the conditions in the districts from which the young men come, perhaps would be better able to deal with the applications from the point of view of the national interest. I should point out, of course, that these applications for leave may come from the R recruit at any time within three months after he is enrolled and commences training. If he has been at the training centre for longer than three months, these regulations do not apply to his application. That is the explanation of the regulations.

Mr. BROOKS: I do not want to interrupt unduly, but does the minister not think this places too much responsibility on a commanding officer, who has men under him from all over the district? He does not know the particulars, except as they are presented to him in affidavits by people in certain sections of the district or province, and he has to make his recommendation to the district officer commanding. There should be a more thorough investigation by the board, and perhaps the commanding officer should not be asked for his recommendation. That is the point I was making, that he might simply forward the application to the board and let it make a more thorough investigation than he is capable of making. I think in most cases the recommendations of the commanding officers

are being accepted, and those recommendations are made without knowledge of all the facts.

Mr. THORSON: There may be some merit in the suggestion of the hon. member for Royal. The officer commanding must transmit the application to the district officer commanding.

Mr. WEIR: Just on that point, this R recruit may have been enrolled, say in military district No. 10, but before completing his three months training he may be moved to another military district, where he makes his application for leave. Which officer deals with his application, and to which board of review is it referred?

Mr. THORSON: That question has been the subject of some discussion as between the various chairmen. It was the general view that the application for leave should go to the division which called up the man, because that is where his registration card and file would be, and where the board would know about his individual case. But the general opinion, I think, is that the application might well be referred in the first instance to the board in the district in which the man actually is located, so that the applicant for leave may appear before that board in person and make his representations. Then, if that board is perfectly satisfied that the application is in order, it may grant the application in order to speed things up. If, on the other hand, it is not completely satisfied that the grounds for the application are sound, it can refer the application to the division which called up the man in the first instance, in order to get information which is on that man's file in the administrative division which handled his first call up. I think it is working out not too badly.

Mr. McIVOR: I know the standard of morality is higher now than it was in the last war, but human nature is still human nature, and so I should like to ask the minister if there is any opportunity for an advocate to go before a board in order to plead the case of a young man and get him off for a fee. That was the case in the last war, and I think it should be guarded against.

Mr. THORSON: Section 16 deals with the point raised by the hon. member. That section provides:

> All hearings of the boards shall be in camera, and no person shall be entitled to be represented by council, advocate or solicitor—

Mr. SENN: If the minister has completed his statement—

Mr. THORSON: No, I have not. I have only started.

Mr. SENN: I wanted to make a few general observations about a matter which I think is of great importance, but if the minister would prefer to have me wait I shall do so. I thought that when he sat down he had completed his statement, as such.

Mr. THORSON: If the hon. member for Haldimand does not mind, I did intend to go on with my general statement.

Mr. SENN: I do not want to interfere with that.

Mr. THORSON: Then that might become the basis for such questions as hon. members might care to put.

Mr. ROSS (Souris): While the minister is dealing with the call-ups, would he explain how the quotas are arrived at in the various military districts? In some districts young men from twenty-one to thirty are called up, while in others young men over the age of twenty-five are not called up. How are these quotas arrived at, or how are the different ages fixed?

Mr. THORSON: My understanding is that the Department of National Defence makes its requisition, which it breaks down into administrative divisions on the basis of population. But the reserve of man-power available for call for military training may vary in the different districts by reason of factors of one kind and another. For example, there would be a smaller reserve of man-power available for the purposes of these regulations in areas contiguous to districts where there are large concentrations of war industries. That is one illustration. Then areas in which voluntary enlistments have been greater than in other areas also would show a smaller reserve of man-power available for call under these regulations. Another factor that is going to be of some consequence will result from the recent regulations relating to persons wholly or mainly employed in agriculture. When we have had some experience in the application of these regulations we shall be in a better position to rearrange the basis for setting the separate quotas in the thirteen different administrative divisions, in the light of the knowledge that we shall have as to the reserves that are available for call under these regulations. It is true that there is at present an unevenness. We are making greater inroads on the reserves in some administrative divisions than in others.

Mr. MacINNIS: How has that worked out in the last call made for men. I understand that in military district No. 3 the men called

are in older age groups than those called up in some of the other districts. Has the minister the figures for the various districts, on the basis of the last call?

Mr. THORSON: No; I do not think I can get those figures for my hon. friend. It will also have the complicating factor of the recent regulations regulating persons wholly or mainly employed in agriculture. I think when we have had the experience of the application of those regulations we shall be in a better position to review the reserves left.

Mr. MacINNIS: Is there any uniformity in the method as it is applied? I understand that we began with the 21-year olds, and then went up to 24 and 25. When they have been called up, do we take the 26- and 27-year olds, until we have completed the list, or is there some other way of doing it?

Mr. THORSON: Up to the present time the system has been to take the youngest age group, and to go through that group before going into the next one. That is, the men are called by age groups according to juniority of age. The hon. member for Vancouver East will recall the Prime Minister's statement of March 24 that we intend to change that method of calling men, and to make the call applicable to all the men in all the age groups covered by the proclamation. That is to be done by a system of drawing by lot. Back of that is the view that that would be a more equitable manner of making the call. At present all men up to 30 years of age are covered by the proclamation, and are liable to call. It is now proposed to call these men by lots, and all the men in all the age groups subject to the proclamation will take their chances in the draw. The new system will come into effect as soon as the administrative arrangements can be worked out. As soon as such arrangements are worked out I shall make a detailed announcement with regard to the new method of calling men by lot rather than by age groups.

Mr. DUPUIS: Does that include farmers' sons?

Mr. THORSON: The position of men wholly or mainly employed in agriculture, within the meaning of the definition in the recent regulations, will be the same as it is now. That is, they will have to pay attention to the notices to report for medical examination. When they receive those notices they will have the right, if they wish to exercise it, of applying for a postponement order on the ground that they are wholly or mainly employed in agriculture within the meaning of the regulations. It is mandatory upon the board to grant these postponement orders until further notice, unless the board is satisfied that the man is not essential to agriculture.

I stated this afternoon that I had issued a press release relating to this very subject, in which I had pointed out the fundamental change that has taken place with regard to the regulations, so far as they concern persons who are wholly or mainly engaged in agriculture. I suggested to hon. members that they should read this press release with care, and that perhaps at a later date when I shall be before the committee again they might ask such questions as they may wish.

Perhaps at this juncture, since the subject has been raised, I should make special reference to two paragraphs in the press release of April 17. I said this:

> There has therefore been a fundamental change of base in the regulations. It is not a question of greater latitude having been given to the boards in the matter of granting postponement orders, nor is it a matter of preferential treatment. The amendments go much further, and constitute a fundamental change of approach, both by the applicant and by the board. When the applicant has shown that he is a person wholly or mainly employed or engaged in agriculture within the meaning of the amended regulations he is prima facie entitled to a postponement order until further notice. He does not have to prove, as was the case formerly, a special case for postponement of a fixed duration.

Then I went on to say:

> The fundamental change in the character of the amended regulations may be stated as follows: under the regulations as they stood prior to the amendments, the applicant had to make out a special case for postponement. The granting of a postponement order was within the discretion of the board, and the postponement order was only for a fixed period of time. The applicant was still regarded as being a person primarily required for compulsory military training, when his period of postponement was concluded.
>
> Under the amended regulations the situation is entirely changed. When the applicant has shown that he is a person wholly or mainly employed in agriculture, within the meaning of the amended regulations, it is mandatory upon the board, subject to the exceptions hereinafter mentioned, to grant the postponement order.

That is, the board must do so.

> Furthermore, the postponement order is until further notice, and it constitutes an allocation of the applicant to agriculture rather than to military service.

That is what I mean by saying that there was a shift of base.

Mr. DOUGLAS (Weyburn): What does the minister mean when he says the board must do it? The board is both judge and jury?

Mr. THORSON: It is mandatory in the regulations. The regulations impose the duty upon the board unless, as I pointed out, the board is satisfied either that the applicant is not an essential worker in agriculture or that the applicant has at any time subsequent to March 23 ceased to be actually employed or engaged in agriculture or in primary industry.

Mr. DOUGLAS (Weyburn): There is no appeal from the board; the board is both judge and jury; it has only to satisfy itself.

Mr. THORSON: The board carries out the regulations.

Mr. MacINNIS: In the calling up of men for the next draft will the men who were called up for the thirty-day period and who have gone back to their employment be subject to call before the older age groups are reached?

Mr. THORSON: In the case of each requisition the Department of National Defence specifies the number of new men who are to be called up; that is, those who have not had any military training, and the number of men who have had thirty days training, who are to be recalled.

Mr. MacINNIS: I have a particular reason for raising this point at this time. A few days ago I had a wire from a young man in Vancouver, a labour organizer who was organizing the employees in a government industry in that city. I brought up this matter in this house. He was born in 1912 and consequently is in the thirty-year age group. Application was made or was about to be made to a conciliation board. A day or so following that, he was visited in his hotel by two detectives of the Royal Canadian Mounted Police who asked to see his registration card. He showed his card and they went away. He then got in touch with me and told me that he had a hunch that this was a prelude to calling him up for active service. He told me that he was in the thirty-year group and that there were lots of younger men who had not been called up. He told me that he would not be surprised if he received a call in a few days. His hunch was right, for in a few days he was told to report for service. There is this peculiar fact. This man was not registered in Vancouver; he was registered in Toronto which was and still is his home address.

The government will have to make out a good case to satisfy me in this instance. They should find some better way of opposing organized labour, or they should find some better way of showing their good faith in the principles of P.C. 2685 and not go about picking up a labour organizer and forcing him into the army. When this man's proper time comes and he is taken up in the regular way, he has no kick nor have I, but to take him now just because he is trying to organize the workers in a government-owned plant is not just playing the game.

Mr. THORSON: I would not accept the statement that the government or the board went out of its way to pick up this man in advance of his time. If the hon. member will give me the particulars I shall be glad to make inquiry into the matter. I think that the new system when it goes into effect—

Mr. MacINNIS: The new system is not yet in effect.

Mr. THORSON: It will be very soon. When it goes into effect everyone who is subject to the proclamation will be called up in the order in which his number is drawn. In that event there cannot possibly be any ground for complaint of the nature that my hon. friend has mentioned. If he will be good enough to give me the particulars of the case he has mentioned I shall be glad indeed to look into the circumstances.

Mr. MacINNIS: I shall give the minister the facts of the case. I drew the attention of the Minister of Justice (Mr. St. Laurent) to the case, and he was good enough to give me a full report on it. But that report does lead me to believe that the powers were anxious to get this man out of the way.

Mr. NICHOLSON: I do not think the question asked by the hon. member for Fort William (Mr. McIvor) was answered to the satisfaction of all hon. members. On April 21 I drew the attention of the minister to a case in my constituency. A young man had applied for postponement through the regular channels, but it had not been granted. He then interviewed a lawyer in my constituency who is a strong supporter of the administration. For a consideration of $50 the lawyer agreed to handle the case. The man paid $25 cash and the remainder was to be paid when postponement was granted. The minister's reply of April 22 referred me to the section he quotes, and he concludes as follows:

> It is not at all necessary for a man called up for military training and service to go to a lawyer for advice, but if he does so, it is entirely a private matter between the man called up and the lawyer concerned—both as to the point of legal advice being sought and the understanding as to the fee to be paid for such advice.

I wrote to the minister again on April 28, as follows:

I understand that the young man in question made his representations to your board in the regular manner, and was unable to secure postponement. But he has been able to secure postponement after getting the services of a strong party supporter who received a $25 fee to commence representations and later received another $25 after postponement was granted.

As a result of the very serious abuses which developed during the last war, I feel that it is important that some department of government should be concerned about discouraging such procedure as I have outlined. I think you can understand that this sort of thing will have a very disturbing effect in families where applications for postponement have not been granted.

I should appreciate it if you would reconsider this question and inform me regarding your conclusions.

I have no idea how general this sort of thing is, but the minister should give us something more convincing than his letter to me of April 22.

Mr. THORSON: I have yet to hear that the members of the board in Saskatchewan are friends of the administration. I wish to point out to the hon. member that it is the board that grants applications for postponement, not the district registrar. The chairman of this board is Mr. Justice Embury, who is not known as a Liberal. One of the members is Mr. Carl Stewart, who certainly is not a Liberal, and the other member is Mr. George H. Bickerton, president of the United Farmers of Canada, Saskatchewan section. There is not a single Liberal on the board. My information from Mr. Justice Embury is that the board has been unanimous in dealing with the applications that have come before it. If the person to whom the hon. member has referred employed a lawyer, it was very foolish of him to do so because he need not have done it. He could have made his application which would have been heard by the board in both a judicial and sympathetic manner and considered in the light of all the facts. His case would have been considered by the board in Saskatchewan which is composed of the members I have mentioned, not one of whom is a friend of this administration politically.

Mr. NICHOLSON: The members of the committee will recall that I did not say a word about the members of the board.

Mr. THORSON: It is the members of the board who grant applications for postponement and nobody else.

Mr. DOUGLAS (Weyburn): It was the lawyer who got results.

[Mr. Nicholson.]

Mr. NICHOLSON: The minister has failed to grasp my point. This man applied through the regular machinery, through the board, and his application was refused. But after he retained the services of a lawyer who is a supporter of the administration, he was able to secure postponement. The point is that he was able to get the desired results by engaging counsel for $50, a counsel who is a supporter of the administration.

Mr. THORSON: What is the suggestion made by the hon. member? Is he attacking the integrity of the board that grants the application?

Mr. NICHOLSON: My letter of April 28 to the minister set out what I thought should be done. It is important that some department of government should be concerned about discouraging the sort of procedure I outlined in my letter. The minister's letter to me of April 22 indicates that his department is not concerned about that sort of procedure.

Mr. THORSON: We cannot stop a man from employing a lawyer if he wants to, but there is absolutely no necessity for anybody employing a lawyer in connection with an application for postponement.

Mr. NICHOLSON: But in this case he was not able to get a postponement until he engaged a lawyer and paid him his fee.

Mr. THORSON: He could have come and put his own case before the board.

Mr. HANSON (York-Sunbury): He did do that.

Mr. THORSON: It is a matter for the board to deal with in each case. If the man wants to employ a lawyer he may do so, but he does not have to.

Mr. NICHOLSON: The minister has not followed me. I stated that this man had already used the machinery provided by the government and had found that he was not granted a postponement.

Mr. DUPUIS: Was he refused a postponement.

Mr. NICHOLSON: Yes, and he then retained a lawyer, a supporter of the administration.

Mr. THORSON: What has that to do with the matter?

Mr. DOUGLAS (Weyburn): That is what we want to find out.

Mr. NICHOLSON: That is what I want to know. I should like to know whether the minister is concerned over this type of abuse

being allowed to develop in this country without some department of the government paying attention to it.

Mr. THORSON: If the person who was engaged was able to present new facts which had not occurred to the applicant, that is a matter for the applicant; but the fact that he engaged a Liberal lawyer, friendly to the administration, had no effect on the board that granted the application. Probably that was just proof of the fact that the lawyer was an assiduous digger after new facts to present to the board.

Mr. NICHOLSON: So the applicant would be better off if he had a lawyer?

Mr. HANSON (York-Sunbury): On behalf of my profession I ask the minister, how could a country boy, the son of a farmer, put into the form of a statutory declaration the facts that would carry conviction with the board without employing somebody skilled in that sort of thing to assist him?

Mr. THORSON: He can do so if he wishes to.

Mr. HANSON (York-Sunbury): Is it not almost a necessity that he should do so?

Mr. THORSON: Not at all.

Mr. HANSON (York-Sunbury): The regulations absolutely provide that the evidence must be submitted by statutory declaration.

Mr. THORSON: No.

Mr. HANSON (York-Sunbury): Then I misunderstood what the minister read.

Mr. THORSON: That was in connection with applications for leave.

Mr. HANSON (York-Sunbury): Then I was wrong and I withdraw the whole thing, but I suggest this to the minister, that while it is quite proper to keep lawyers out from before the board, a good lawyer, if he is an honest man—and most of them are—will tell the man what he should do and start him along the right road. I do not think the fact that the lawyer in Saskatchewan was a Liberal had anything to do with the board's decision, but the lawyer evidently knew what he was doing and collated the facts and presented them in such a manner that the board granted the application.

Mr. THORSON: I must say that the board acts in the most informal way possible. In connection with these new regulations, for example, the boards are adopting this procedure: When they send out the notice to report for medical examination, they also send out a questionnaire for the applicant to fill out. The boards deal with the majority of applications for postponement in the most informal way when they are satisfied that it is a bona fide case.

Mr. CASTLEDEN: When did they start that procedure?

Mr. THORSON: The procedure is of recent origin in connection with these amendments to which I have just referred, because the amendments themselves are of recent origin. But that would be the general procedure.

Mr. BROOKS: Judging from the number of applications approved, would the minister not say that the applicants have made out a pretty good case all over this dominion, and particularly in some sections?

Mr. THORSON: I think good cases have been made where the boards have granted postponement. Knowing the work the boards have done and the patience with which they have discharged their duties, I certainly do not wish to set myself up in judgment over the boards because I think that, by and large, they have done a very difficult job in a very judicial, sympathetic and understanding manner.

Mr. HANSON (York-Sunbury): I have said they are good boards.

Mr. THORSON: I think it is generally conceded that they are very good boards.

Mr. CASTLEDEN: Who is permitted to appear for an applicant?

Mr. THORSON: There is not any fixity about it. The boards can hear anybody who can give evidence relating to an application for postponement. If a person applies for postponement on the ground, for example, that he is essential to some war industry, someone connected with that plant can give evidence as to the facts. There is no fixity as to who may come and give evidence. The board has the power to find the facts.

Mr. CASTLEDEN: Have the boards the power to refuse permission to anyone to appear on behalf of an applicant?

Mr. THORSON: It is not so much a question of appearing on behalf of an applicant as of giving evidence or statements relating to the application.

Mr. MacNICOL: Can the minister give, by provinces, the number of applications made throughout Canada and the number granted?

Mr. THORSON: Yes. For the convenience of hon. members I might lay on the table certain documents relating to the operation of the regulations, and the results.

Mr. MacNICOL: Would the minister give the total?

Mr. THORSON: I can give the total.

Mr. DOUGLAS (Weyburn): Put the documents on *Hansard*.

Mr. MacNICOL: Yes; why not put them on *Hansard?*

Mr. HANSON (York-Sunbury): If they are not too long.

Mr. THORSON: I was going to suggest having them incorporated in an appendix to the *Votes and Proceedings*. There are quite a number of tables. They give the whole record of the operation of the national war service regulations up to date, and the results, and if I put them on record it would perhaps serve to reduce the number of questions that might be asked. The statistics will be found in the tables.

Mr. HANSON (York-Sunbury): Better put them on *Hansard*.

Mr. THORSON: If it is the desire of the committee I will put them on *Hansard*. The tables follow:

TABLE I

NUMBER OF MEN REQUISITIONED BY THE DEPARTMENT OF NATIONAL DEFENCE (ARMY) SINCE THE INCEPTION OF THE FOUR MONTHS TRAINING PLAN, COVERING TRAINING PERIODS FROM MARCH 20, 1941, TO MARCH 12, 1942

Only Category "A" men are accepted by the Department of National Defence (Army)

Military training periods	Ontario				Quebec		N.S.	N.B.	P.E.I.	Man.	B.C.	Sask.	Alta.	Total
	("A"	"B"	"C"	"D")	("E"	"F")	"G"	"H"	"I"	"J"	"K"	"M"	"N"	
4. Mar. 20/41	150	885	390	50	830	560	232	185	33	320	265	440	350	4,690
5. April 17/41	160	950	385	55	895	600	248	200	37	335	285	465	385	5,000
6. May 20/41	128	750	316	44	720	478	198	160	30	268	228	372	308	4,000
7. June 19/41	172	453	156	30	538	295	134	108	20	180	154	250	210	2,700
8. July 31/41	172	453	156	30	538	295	134	108	20	180	154	250	210	2,700
9. Aug. 28/41	172	453	156	30	538	295	134	108	20	180	154	250	210	2,700
10. Oct. 2/41	86	226	79	15	269	147	66	54	11	90	77	125	105	1,350
11. Oct. 30/41	86	226	79	15	269	147	66	54	11	90	77	125	105	1,350
12. Dec. 4/41	168	441	158	29	529	287	130	106	22	178	151	245	206	2,650
13. Jan. 8/42	210	549	196	36	659	357	162	132	27	222	188	305	257	3,300
14. Feb. 5/42	126	333	122	23	386	217	96	76	24	139	114	190	154	2,000
15. Mar. 12/42	208	549	202	38	637	358	160	125	38	229	188	314	254	3,300
Total	(1,838	6,268	2,395	395)	(6,808	4,036)	1,760	1,416	293	2,331	2,035	3,331	2,754	35,740
	10,896				10,844									

TABLE II

NUMBER OF MEN WHO *Reported* TO BASIC TRAINING CENTRES OF THE DEPARTMENT OF NATIONAL DEFENCE (ARMY) SINCE THE INCEPTION OF THE FOUR MONTHS TRAINING PLAN, UP TO MARCH 12, 1942

Military Training Periods	Ontario				Quebec		N.S.	N.B.	P.E.I.	Man.	B.C.	Sask.	Alta.	Total
	("A"	"B"	"C"	"D")	("E"	"F")	"G"	"H"	"I"	"J"	"K"	"M"	"N"	
4. Mar. 20/41	174	950	389	59	1,051	670	271	215	36	344	284	515	383	5,341
5. April 17/41	177	993	374	59	1,128	667	274	227	44	356	317	528	388	5,532
6. May 20/41	133	768	371	48	1,065	526	212	167	35	272	235	413	297	4,542
7. June 19/41	201	523	223	39	686	344	179	148	28	185	164	295	209	3,224
8. July 31/41	171	396	159	29	587	366	170	130	21	195	134	310	224	2,892
9. Aug. 28/41	189	458	144	35	520	304	189	158	29	171	168	274	238	2,877
10. Oct. 2/41	102	240	121	15	355	264	62	76	25	126	80	131	142	1,739
11. Oct. 30/41	110	263	109	25	343	330	89	111	19	83	87	187	118	1,874
12. Dec. 4/41	194	463	222	37	646	281	161	126	28	223	159	276	222	3,038
13. Jan. 8/42	221	666	209	55	870	535	212	188	34	247	188	355	251	4,031
14. Feb. 5/42	184	402	160	31	523	209	110	120	28	156	103	237	150	2,413
15. Mar. 12/42	285	579	227	50	881	419	181	185	33	293	164	354	247	3,898
Total	(2,141	6,701	2,708	482)	(8,655	4,915)	2,110	1,851	360	2,651	2,083	3,875	2,869	41,401
	12,032				13,570									

TABLE III

NUMBER OF MEN REJECTED FOR MEDICAL REASONS UPON REPORTING AT BASIC TRAINING CENTRES OF THE DEPARTMENT OF NATIONAL DEFENCE (ARMY) SINCE THE INCEPTION OF THE FOUR MONTHS TRAINING PLAN, UP TO MARCH 12TH, 1942

Military training periods	Ontario				Quebec		N.S.	N.B.	P.E.I.	Man.	B.C.	Sask.	Alta.	Total	Per-centage
	"A"	"B"	"C"	"D"	"E"	"F"	"G"	"H"	"I"	"J"	"K"	"M"	"N"		%
4. Mar. 20/41	6	72	36	4	80	80	21	29	1	24	11	39	17	420	7·9
5. Apr. 17/41	8	122	34	3	96	87	15	12	.....	10	12	35	22	457	8·3
6. May 20/41	9	62	29	7	114	76	25	16	5	41	15	24	19	442	9·7
7. June 19/41	21	76	18	6	92	48	13	9	5	21	4	15	11	339	10·5
8. July 31/41	17	33	14	3	66	49	26	20	8	18	4	13	17	288	10·0
9. Aug. 28/41	7	37	15	3	48	34	21	17	9	11	1	17	11	231	8·0
10. Oct. 2/41	5	13	16	1	44	34	12	12	7	8	7	20	4	183	10·7
11. Oct. 30/41	12	11	18	3	32	42	6	12	3	7	2	16	8	172	9·2
12. Dec. 4/41	13	38	33	5	90	38	16	18	10	17	4	29	13	324	10·6
13. Jan. 8/42	17	88	23	11	114	64	19	22	8	28	3	22	13	432	10·7
14. Feb. 5/42	20	44	30	8	45	31	13	20	5	9	5	14	6	250	10·3
15. Mar. 12/42	20	62	36	10	89	72	27	23	6	25	4	15	18	407	10·5
Total	155	658	302	65	910	655	214	210	67	219	72	259	159	3,945	8·5
	1,180				1,565										

TABLE IV

NUMBER OF MEN ACCEPTED AT BASIC TRAINING CENTRES OF THE DEPARTMENT OF NATIONAL DEFENCE (ARMY) SINCE THE INCEPTION OF THE FOUR MONTHS TRAINING PLAN, UP TO MARCH 12, 1942

Military training periods	Ontario				Quebec		N.S.	N.B.	P.E.I.	Man.	B.C.	Sask.	Alta.	Total
	"A"	"B"	"C"	"D"	"E"	"F"	"G"	"H"	"I"	"J"	"K"	"M"	"N"	
4. Mar. 20/41	168	878	353	55	971	590	250	186	35	320	273	476	366	4,921
5. April 17/41	169	871	340	55	1,032	580	259	215	44	346	305	493	366	5,075
6. May 20/41	124	706	342	41	951	450	187	151	30	231	220	389	278	4,100
7. June 19/41	180	447	205	33	594	296	166	139	23	164	160	280	198	2,885
8. July 31/41	154	363	145	26	521	317	144	110	13	177	130	297	207	2,604
9. Aug. 28/41	182	421	129	32	472	270	168	141	20	160	167	257	227	2,646
10. Oct. 2/41	97	227	105	14	311	230	50	64	18	118	73	111	138	1,556
11. Oct. 30/41	98	252	91	22	311	288	83	99	16	76	85	171	110	1,702
12. Dec. 4/41	181	425	189	32	556	243	145	108	18	206	155	247	209	2,714
13. Jan. 8/42	204	578	186	44	756	471	193	166	26	219	185	333	238	3,599
14. Feb. 5/42	164	358	130	23	478	178	87	100	23	141	98	223	150	2,153
15. Mar. 12/42	265	512	191	40	792	347	154	162	27	268	160	339	229	3,486
Total	1,986	6,038	2,406	417	7,745	4,260	1,886	1,641	293	2,426	2,011	3,616	2,716	*37,441
	10,847				12,005									

* Surplus of 1,701 men over 35,740 requisitioned by the Department of National Defence (Army).

TABLE V

NUMBER OF MEN EXAMINED BY CIVILIAN PHYSICIANS, SHOWING THE NUMBER PLACED IN EACH MEDICAL CATEGORY SINCE THE INCEPTION OF THE FOUR MONTHS TRAINING PLAN, UP TO MARCH 12, 1942

Provinces	Administrative divisions	Total No. of men examined	Medical Categories													
			"A"		"B-1"		"B-2"		"C-1"		"C-2"		"D"		"E"	
			Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
	A	5,650	3,168	56·0	468	8·2	192	3·3	198	3·3	257	4·5	114	2·0	1,253	22·7
	B	11,226	6,797	60·8	1,400	12·4	396	3·4	465	4·0	461	4·0	194	1·7	1,513	13·7
	C	6,319	3,622	57·2	586	9·3	236	3·8	271	4·1	281	4·5	150	2·3	1,173	18·8
	D	1,088	633	58·1	98	9·0	26	2·3	42	3·8	42	3·8	20	1·8	227	20·2
Ontario		24,283	14,220	58·6	2,552	10·5	850	3·4	976	3·9	1,041	4·3	478	1·9	4,166	17·4
	E	20,733	7,804	38·2	2,246	10·8	1,386	6·7	1,522	7·1	1,797	8·5	799	3·7	5,179	24·0
	F	16,384	5,561	34·5	1,374	8·3	1,058	6·3	1,088	6·5	1,352	8·1	587	3·4	5,364	32·9
Quebec		37,117	13,365	36·5	3,620	9·7	2,444	6·5	2,610	6·9	3,149	8·3	1,386	3·6	10,543	28·5
Nova Scotia	G	4,820	2,156	44·7	286	5·9	77	1·5	167	3·4	827	17·1	1	....	1,306	27·4
New Brunswick	H	3,898	2,183	55·1	136	3·6	49	1·2	56	1·3	57	1·2	562	15·1	855	22·5
Prince Edward Island	I	602	372	61·7	32	5·3	11	1·8	15	2·4	25	4·1	9	1·4	138	22·3
Manitoba	J	6,884	4,029	58·5	711	10·4	253	3·8	275	3·7	220	3·1	180	2·7	1,216	17·8
British Columbia	K	5,783	3,326	58·0	542	9·8	175	3·1	203	3·4	229	4·0	136	1·8	1,172	19·9
Saskatchewan	M	6,671	4,149	62·6	636	9·4	199	2·9	353	5·2	240	3·6	279	4·3	815	11·0
Alberta	N	6,695	3,803	57·0	462	6·9	158	2·2	244	3·4	222	3·4	709	10·9	1,097	16·2
Grand Total		96,753	47,603	49·3	8,977	9·3	4,216	4·3	4,899	4·9	6,010	6·2	3,740	3·8	21,308	21·0

TABLE VI

APPLICATIONS FOR POSTPONEMENT OF MILITARY TRAINING SUBMITTED TO ADMINISTRATIVE BOARDS OF THE DEPARTMENT OF NATIONAL WAR SERVICES SINCE THE INCEPTION OF THE FOUR MONTHS TRAINING PLAN, UP TO MARCH 12, 1942

Provinces	Administrative divisions	Seasonal and Essential Occupations					Wartime industries	Other industries	University and college students	All other reasons	Total
		Farming	Lumbering	Trapping	Fishing	Others					
	"A"	618	.....	.....	1	4	461	33	178	848	2,143
	"B"	805	3	.....	.....	170	2,205	553	219	1,291	5,246
	"C"	3,839	171	6	2	388	828	.....	160	1,390	6,784
	"D"	45	7	2	1	10	211	.....	34	71	381
Ontario	.....	5,307	181	8	4	572	3,705	586	591	3,600	14,554
	"E"	1,076	295	3	.....	658	6,033	185	142	2,148	10,540
	"F"	5,225	558	2	102	3,207	125	65	516	342	10,142
Quebec	.....	6,301	853	5	102	3,865	6,158	250	658	2,490	20,682
Nova Scotia	"G"	859	106	.....	119	319	18	32	79	706	2,238
New Brunswick	"H"	653	65	.....	69	128	.....	.....	77	150	1,142
Prince Edward Island	"I"	388	2	.....	8	28	33	13	1	17	490
Manitoba	"J"	1,470	7	5	60	145	62	80	99	422	2,350
British Columbia	"K"	433	92	2	53	17	434	217	392	1,684	3,324
Saskatchewan	"M"	2,218	5	.....	2	3	8	.....	87	237	2,560
Alberta	"N"	1,230	2	.....	.....	187	4	.....	40	300	1,763
Grand Total	.....	18,859	1,313	20	417	5,264	10,422	1,178	2,024	9,606	49,103

TABLE VII

APPLICATIONS FOR POSTPONEMENT OF MILITARY TRAINING GRANTED BY THE ADMINISTRATIVE BOARDS OF THE DEPARTMENT OF NATIONAL WAR SERVICES SINCE THE INCEPTION OF THE FOUR MONTHS TRAINING PLAN, UP TO MARCH 12, 1942

Provinces	Administrative divisions	Seasonal and Essential Occupations					Wartime industries	Other industries	University and college students	All other reasons	Total	Percentage
		Farming	Lumbering	Trapping	Fishing	Others						
	"A"	603	.....	.....	1	4	157	32	178	776	1,751	81·6
	"B"	575	3	.....	.....	50	1,660	157	167	421	3,033	57·8
	"C"	3,728	154	6	2	382	826	.....	146	1,037	6,281	92·6
	"D"	37	6	2	1	6	95	.....	33	53	233	61·1
Ontario	.....	4,943	163	8	4	442	2,738	189	524	2,287	11,298	72·6
	"E"	652	123	3	.....	160	5,846	83	109	718	7,694	73·0
	"F"	3,582	172	1	66	1,810	108	32	427	101	6,299	62·1
Quebec	.....	4,234	295	4	66	1,970	5,954	115	536	819	13,993	67·6
Nova Scotia	"G"	547	82	.....	85	256	2	.....	70	449	1,491	66·6
New Brunswick	"H"	586	61	.....	58	121	.....	.....	76	139	1,041	91·1
Prince Edward Is.	"I"	331	2	.....	6	21	3	10	1	14	388	79·0
Manitoba	"J"	902	4	5	37	116	62	66	76	311	1,579	67·7
British Columbia	"K"	390	75	2	48	17	407	201	391	1,563	3,094	93·0
Saskatchewan	"M"	1,370	3	.....	1	3	8	.....	73	112	1,570	61·3
Alberta	"N"	1,172	2	.....	.....	178	4	.....	40	261	1,657	94·0
Total	.....	14,475	687	19	305	3,124	9,178	581	1,787	5,955	36,111	73·6

TABLE VIII

NUMBER OF MEN CALLED OUT UNDER NATIONAL WAR SERVICES REGULATIONS, 1940 (RECRUITS)—CONSOLIDATION 1941—WHO VOLUNTEERED FOR ACTIVE SERVIDE OVERSEAS, IN THE NAVY, THE ARMY AND THE AIR FORCE, AFTER REPORTING TO TRAINING CENTRES OF THE DEPARTMENT OF NATIONAL DEFENCE (ARMY), UP TO OCTOBER 2ND, 1941

Military training periods (since inception of 4 mths. training plan)	Men called out under N.W.S. regulations accepted at N.D. basic training centres	Active enlistments				Percentage of enlistments for Active Service
		Royal Canadian Navy	Canadian Army-Active	Royal Canadian Air Force	Total Active enlistments	
4. March 20, 1941	4,921	89	800	461	1,350	27·4
5. April 17, 1941	5,075	79	1,115	345	1,539	30·3
6. May 20, 1941	4,100	39	996	372	1,407	34·3
7. June 19, 1941	2,885	43	709	393	1,145	39·6
8. July 31, 1941	3,676	24	826	575	1,425	38·8
9. August 28, 1941	3,823	36	1,187	417	1,640	42·9
*10. October 2, 1941	2,221	12	552	280	844	38·0
Total	26,701	322	6,185	2,843	9,350	35·0

* Latest figures available from the Department of National Defence (Army).

TABLE IX

CONVICTIONS UNDER NATIONAL WAR SERVICES REGULATIONS, 1940 (RECRUITS) (CONSOLIDATION 1941) AS REPORTED TO THE DEPARTMENT

Provinces	Administrative divisions	Section of National War Services Regulations, 1940 (Recruits) (Consolidation, 1941)										Total
		20·9	26·1	29	30	31	33	34	35	36	37b	
Ontario	"A"	.....	.....	.....	.....	1	.....	.....	.....	.....	1	2
	"B"	.....	.....	.....	1	1	.....	1	.....	.....	.....	3
	"C"	.....	1	.....	1	1	.....	.....	.....	.....	.....	3
	"D"	.....	.....	.....	.....	5	.....	.....	.....	.....	.....	5
Quebec	"E"	.....	1	4	5	6	.....	1	.....	5	.....	22
	"F"	.....	4	1	6	6	1	.....	.....	.....	.....	18
Nova Scotia	"G"	.....	.....	0	.....	.....	.....	.....	.....	.....	.....	.....
New Brunswick	"H"	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	1
Prince Edward Island	"I"	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Manitoba	"J"	3	4	.....	3	17	.....	.....	.....	.....	.....	27
British Columbia	"K"	13	1	.....	3	1	.....	.....	.....	.....	.....	18
Saskatchewan	"M"	94	5	.....	.....	18	.....	.....	3	.....	.....	120
Alberta	"N"	5	1	.....	.....	17	.....	.....	.....	.....	.....	23
Total	.....	115	17	5	19	74	1	2	3	5	1	242

Mr. DUPUIS: Does table VIII show the numbers by provinces?

Mr. THORSON: Not that particular return. All the other returns are by administrative divisions and by provinces.

Mr. DIEFENBAKER: Would the minister allow a question? One set of statistics apparently is omitted—how many called failed to report.

Mr. THORSON: I can put that on *Hansard* as well. It is a statement of men unaccounted for since the beginning of operations up to March 31, 1942, by administrative divisions and by provinces. The total of such men, according to this statement, is 11,568 since the beginning of operation of the regulations.

Mr. HANSON (York-Sunbury): What percentage would that be of the total called?

Mr. THORSON: The total number of persons to whom medical notices were sent out in the course of that period of time was 311,825. The percentages can be worked out from that. But this figure is subject to certain observations. A good many of the men who are included in this list have enlisted.

Mr. HANSON (York-Sunbury): They would be accounted for if they had enlisted.

Mr. THORSON: They have not been accounted for yet. I am giving that just by way of illustration. We keep these lists of persons who have not reported circulating continuously throughout the thirteen administrative divisions, with a continuous follow-up. We send them continuously to the three national defence departments. Recently one of these lists came back from one of the divisions; it contained 244 names, and it was reported back that sixty-five of these persons had enlisted. It is a rule that when a person is reported as not having given attention to the notice to report for medical examination, a list of such persons is turned over to the police for investigation. I can assure my hon. friend that every effort is being made to run these persons down and follow up the cases of persons who have failed to report. When I speak of this list as being a list of men unaccounted for, I might by a stretch of language describe them perhaps as possible delinquents. But the reality of delinquency is very much less. The observations and general opinion of the mounted police are that real delinquents are not much over 1 per cent.

Mr. HANSON (York-Sunbury): How many convictions have there been?

Mr. THORSON: I find the number of convictions in one of the tables. They total 242. That table is included in the list I mentioned a moment ago. The record of delinquency is a record of comparatively small numbers, and we are anxious that the number should be as small as possible.

Mr. McGARRY: With regard to the privileges granted to farmers, providing special postponement or exemption, how does that apply to the young man who is engaged partly in farming and partly in fishing? Does the same regulation apply in such a case?

Mr. THORSON: Before dealing with that question may I point out that another ground for unaccountability is changes of address and movement from one part of the country to another. But gradually we pick those people up.

Mr. DOUGLAS (Weyburn): Would the minister give those by provinces?

Mr. THORSON: They are given by provinces.

Mr. DOUGLAS (Weyburn): Will the table be put on record?

Mr. THORSON: Yes. The table is as follows:

Men unaccounted for (possible delinquents) since the beginning of operations up to March 31, 1942.

Province	Administrative Divisions	No. of Men	
Ontario	A	762	
	B	1,141	
	C	411	
	D	244	
			2,558
Quebec	E	1,577	
	F	3,309	
			4,886
Nova Scotia	G		123
New Brunswick	H		40
Prince Edward Island	I		46
Manitoba	J		780
British Columbia	K		1,406
Saskatchewan	M		240
Alberta	N		1,489
			11,568

Mr. DIEFENBAKER: The minister says there are 11,568 missing, or possible delinquents. How many of those in that class have actually been picked up; and of those picked up, how many have been prosecuted? It is important to know the degree of enforcement that is taking place.

Mr. THORSON: All who were picked up and who were possible delinquents have been prosecuted. With regard to persons who have been located in various ways who previously had not reported for medical examination when they were called up, it is not possible to give the figures. But a standing order is given to the divisional registrars with each requisition that goes out to them saying that they are to call up men who have been located in their divisions who had been reported to them as not having paid attention to the notice to report for medical examination. There is a continuous effort to locate those men and bring them in. We look upon our job in the department as having for its purpose the putting of men in training centres rather than in gaol. I should be glad if any cases of possible delinquency were brought to my attention, because I am as deeply concerned as I can possibly be—and I am sure my officers share the same view—that these regulations, dealing as they do with human lives, should be administered with the utmost integrity. I would welcome any information or particulars coming from any source as to failure to report either for the medical examination or to the training centres.

Mr. MacINNIS: In view of the fact that the minister just now made a point that these regulations should be administered with the utmost integrity and care, I think insufficient attention is paid to the principle involved in the case that was raised by the hon. member for Mackenzie. This is not merely that the man engaged a lawyer and got his exemption; it goes much deeper than that.

Mr. THORSON: Does my friend know anything about the facts of that case?

Mr. MacINNIS: No, not at all, but I have no doubt that the hon. member for Mackenzie knows all the facts, and evidently he has put them before the minister before bringing them up in the committee. I do not think the facts in the matter are disputed.

Mr. THORSON: They apparently were disputed.

Mr. MacINNIS: Besides that, the minister knows what happened in Saskatchewan during the last war, when lawyers followed like vultures the men who were called up—

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): I never heard of such things.

Mr. MacINNIS: All right. Our lawyer friends have started now. Would it not be possible to have the regulations provide that no one could appear for an applicant? My attention is drawn to the fact that no one is supposed to appear now. Section 16 states:

(1) All hearings of the board shall be in camera and no person shall be entitled to be represented by counsel, advocate or solicitor: Provided that at hearings of the board the representative of the Department of National Defence, the representative of the national war labour board, a representative of agriculture and a representative of the director of national selectiye service shall be entitled to be present and to make such representations as they may deem fit.

(2) The board shall consider all applications and the decision of the board shall be final and conclusive and binding upon all concerned.

That does not fit in with the statement of the minister that counsel could appear.

Mr. THORSON: I said that counsel could not appear.

Mr. MacINNIS: Did the minister not also say that if a man wanted to pay somebody $25 to put other facts before the board, which the man did not place before the board himself—

Mr. THORSON: Counsel cannot appear on behalf of the man.

Mr. MacINNIS: Then how is he going to place facts before the board?

Mr. THORSON: He can write.

Mr. MacINNIS: That is quibbling with words. Surely, if a person is allowed to write a letter, he is making representations. It does not matter how he makes those representations; he is appearing before the board, unless it is specifically stated that he cannot appear by writing. The point is that this man evidently had $50 with which to pay a lawyer.

Mr. DUPUIS: He is free to do that.

Mr. MacINNIS: Quite so, but supposing he has not the $50? He is free also not to have it, in which case his application will not receive the same hearing. Evidently that is what happened. If a person can stipulate that he is to receive $50 for pleading a man's cause, then he may stipulate that he shall receive $100 or $500, and it will depend upon how much money a man has and how much he is willing to pay. I submit that the spirit of section 16 should be carried into effect—

Mr. THORSON: It is.

Mr. MacINNIS: —and that no one should be allowed to appear in any way for an applicant; that is, as solicitor or lawyer. A boy's father could appear; an employer could appear to state the functions being performed by a person in that particular industry, but certainly the principle is wrong that a solicitor may appear and charge a fee for appearing on behalf of an applicant. If that is to be allowed, it would be much better for the government to employ its own counsel in each particular district.

Mr. THORSON: I must reply to the hon. member for Inverness-Richmond, who has been waiting patiently for an answer to a question he asked some time ago. He asked what would be the position with regard to the case of a person who was a farmer and a fisherman. I should point out to the hon. member that the term, "person wholly or mainly employed in agriculture" includes two classes of persons. In the first place it means:

. . . any person who, on the 23rd day of March, 1942, was wholly or mainly employed or engaged in agriculture . . .

It also includes:

. . . any person who, on the said 23rd day of March, 1942, was employed or engaged, but only seasonally, in a primary industry but whose last employment or occupation immediately prior to such seasonal employment or engagement in a primary industry was wholly or mainly in agriculture.

Everyone knows that there are a great many people whose basic occupation is farming but who, in the fall and winter, may engage in a primary occupation such as lumbering, forestry, fishing or trapping. The term "primary industry" is also defined in the regulations, so

that if this man was in the main a farmer and in winter time was a fisherman, he would be covered by these regulations, on the ground that these primary temporary occupations are really carried on by the man in conjunction with his occupation, as being wholly or mainly employed in agriculture.

Mr. HANSON (York-Sunbury): How about this case? In the bay of Fundy, where the tide ebbs and flows twice in twenty-four hours, many of the fishermen own and fish what are known as weirs for sardines. These men live on the land. In the summer they are engaged in fishing for half the time and in farming the other half. Surely these men would be classified as farmers, which I think would be the proper classification for them, and surely they would be exempt.

Mr. THORSON: I should think in the main they would be. The persons whom I was attempting to describe were those only seasonally employed in a primary industry. The person described by the leader of the opposition is a man who is perhaps a farmer all the year round, and during the summer he is a fisherman.

Mr. HANSON (York-Sunbury): He is a fisherman the whole year round, and a farmer in the summer.

Mr. THORSON: In such a case it becomes a question of fact, and I do not think I should go any further than to say that the circumstances in each case would be looked into, all the facts being taken into consideration.

Mr. HOWDEN: I have a case in point, in connection with which I was going to ask the minister a question. This man is undoubtedly a farmer, has done nothing else all his life, has done it all the time, but I have reason to believe that on March 23 he was in a training camp. Would he be eligible for postponement, under those circumstances?

Mr. THORSON: No. He is in the army, and he is not covered by the regulations to which I have been referring. I indicated that the purpose of these regulations was to prevent the agricultural situation in Canada from deteriorating beyond its then position. The only persons who are covered by these amendments are those who, on March 23, 1942, were wholly or mainly employed in agriculture, within the meaning of the regulations, or primary industries as being incidental to agriculture. If one might use rather loose phraseology, those are the persons who are frozen in agriculture, in order to prevent agriculture from deteriorating beyond its then position, and it is only the persons who were frozen in agriculture and who remain in agriculture who come within the ambit of these amendments.

Mr. HOWDEN: In other words, they must have been employed in agriculture on March 23 in order to come under these regulations?

Mr. THORSON: Yes.

Mr. DUPUIS: In reference to the remarks of the hon. member for Vancouver East with regard to the employment of lawyers, although the regulation states that it is forbidden to do so—

Mr. DOUGLAS (Weyburn): He is not forbidden to hire a lawyer; that is what we are objecting to. The lawyer cannot appear in person.

Mr. DUPUIS: He is not allowed to appear.

Mr. DOUGLAS (Weyburn): That is correct.

Mr. DUPUIS: I have had experience not only as a member but also as a lawyer. Although it is easy to reach the board, the recruit does not usually know how to approach it in the proper way. Of course the board would tell him to make a sworn declaration stating the facts which would plead on his behalf to obtain postponement. Generally speaking, however, those recruits prefer to see their members or their lawyers in order to have a draft declaration prepared, and to study the law as it stands to-day, so that in the declaration all the facts relating to the postponement may be set out. My experience has shown me that if the farmer's son makes his own declaration, he may forget the main point which would bring about his postponement.

For instance, it is pointed out that if the father is sick and has only one son. it is necessary that the recruit bring a doctor's certificate. In practice, however, that does not suffice; he has to bring a sworn declaration from the doctor. All these facts lead me to the belief that it is much wiser for a recruit to consult not necessarily a lawyer but certainly some educated person such as a minister of the church, a notary or a member of parliament, who may draft his declaration. Under those circumstances he would certainly have a greater chance of obtaining some consideration—although he has not much chance.

I have had many experiences, because I have helped all those who have come to my office to draft declarations. I have told them what to do. I can say, however, that not many of them received postponements. I have in mind all those sons who before the

war were permitted and even encouraged by their parents to work in industry in neighbouring towns and cities. Since the beginning of the war those young people have worked in some war industries in the fall and winter months, so that they might earn a few dollars to help the father meet his mortgage payment, taxes and other necessary expenditures. Farmers' sons have always done that. But the interpretation of the law as it stands to-day is that if a farmer's son were working in a war industry on March 23, or working in any place other than a farm, he has lost his right to ask for postponement.

Mr. THORSON: Who said that?

Mr. DUPUIS: I was told that. This is why I should like to have an official answer. I have many individual names where, due to the fact that those farmers' sons were not on the farm on March 23, although they were primarily or mainly engaged in agriculture, they were refused postponements.

There is another point I should like to clear up. When the government announced its four-months programme for trainees it was stated that those men would train for only four months. As far as I am concerned—and I am sure many representatives of farming constituencies were in the same position—I thought sincerely that it was for a period of only four months. Not only did I encourage the young boys to go, but I tried to offer every possible argument to induce them to become acquainted with military exercises and orders. I told them that their training was very important; that we were in a war; that it was our duty to do whatever we could do, and to be ready whenever—God forbid—we were invaded or had to defend our own homes.

But as soon as they were enlisted another declaration was made whereby these four-months trainees were informed that they would have to remain for the duration of the war. I know of many farmers' sons who were the only help on their fathers' farms in Quebec. Those were farms of 120, 200 or 300 acres, or arpents, as we call them. The father would be left alone in the fall and winter, when the young men chose to take their training. But at the end of four months the young men were kept at the camps, and the fathers were left alone—and they are still alone—to cultivate their farms.

I am one who believes that this war will not be won by soldiers with empty hands and empty stomachs. We have to produce food. We have to produce armaments and munitions not only for our own army but for the allied armies. I recall some observations in an address by Mr. Eric Knight, an Englishman who stated, among other things, "Well, gentlemen, in the morning you get your toast, with a square of butter which you very easily use at breakfast time. In England that square of butter is our ration for a whole week."

If it is true—and I believe it is—that the English and many other people are rationed to that point to-day, then I submit strongly that farmers should be permitted to produce not only the quantity necessary to permit the English people to have a proper ration, but that they should produce more and more, as do those men working in the dry docks who build more and more ships to carry the food necessary for those glorious and heroic people who are now the defenders of civilization, and who are now preventing the invaders from coming to our shores.

That is my conviction. I say that if there were those who did not make any request for postponements when the four-months system was announced, or when they were called to pass their medical examinations, those requests were not made because they believed that after four months they would be through with their training, and that they would have learned something which would help them in the defence of their country, if the need arose.

The minister has just announced a new policy whereby the men are to be chosen by lot. If a farmer's son is chosen, will he be bound to report to the training centre pending the decision of the board, or will he be permitted to remain on the farm with his parents?

Mr. THORSON: I have already answered the question put by the hon. member for Chambly-Rouville (Mr. Dupuis). The position of a person wholly or mainly employed in agriculture will be the same as it is now, notwithstanding the fact that the method of calling men will be by lot instead of by age groups. If his lot should come up and he should happen to be a person wholly or mainly employed in agriculture, he may under the regulations apply for a postponement on these grounds.

Mr. DUPUIS: But in the meantime he will stay at home?

Mr. THORSON: There has not been any call upon him up to this time. I hope I have made that clear to my hon. friend.

The hon. member raised two other questions. He referred to the man who was ordinarily a farmer but who on March 23 was working in a munitions plant. Sometimes I despair of trying to write press releases with precision that will cover all points that occur to me, because hon. members do not read

them. The point to which my hon. friend refers is covered by the press release. These persons are in exactly the same position as they were before the regulations were amended. If any one of such persons could make out a sound case for the postponement of his military training when he receives notice to report for medical examination, he can still do so. His position is no worse and no better than it was before. He is not deprived of his right to apply for postponement. If his case merits ordinary postponement, ordinary postponement will be granted, but it will be a postponement for a fixed period of time, subject to extension if the circumstances warrant.

The other point raised by my hon. friend had to do with those persons who were called up for four months but who expected that when they served their four months they would be permitted to return home to pursue their ordinary activities. Soon after the four months' period was put into effect the Minister of National Defence announced that when these men had finished their four months' training they would be held for service with the active army in Canada for the duration of the war. The minister made that statement on April 26, 1941. Prior to that time there had been two calls to report for four months, the first to report on March 20 and the second to report on April 17. Then came the announcement of the Minister of National Defence that these men would be held for the duration of the war.

The boards were instructed to visit the training centres. The boards dealt with the applications of all men who had been called up for four months' training without knowing that they would be held for the duration of the war and who wanted to place their cases before the boards. These cases were dealt with on the same basis by the boards as they would have dealt with applications for postponement if they had been made in the first instance before the men were ordered to report to the training centres. My understanding is that the various divisional boards made a thorough review of the cases of men who were called up on the understanding that they would be required for only four months' training, in advance of the announcement made by the Minister of National Defence that they would be held for the duration.

Mr. MacNICOL: Did the boards visit every camp?

Mr. THORSON: I would not go so far as to say every camp, but they reviewed the applications of those who wanted to make application for postponement and had been called up under these circumstances.

[Mr. Thorson.]

Mr. SENN: We have had considerable discussion to-night about postponements and the method to be adopted by young men who have been engaged in agriculture to get postponement and exemption. It seems to me that in all instances these young men have been endeavouring to do what they considered was in the best interests of the country and of their own particular occupation. This whole discussion has raised an important question. There are three main considerations which we must observe if we are to be successful in winning the war. The first one, of course, is the obtaining of young men for the active service forces and the other forces that are being created throughout the country. The second is the manufacture of munitions. The third, which I think is of equal importance, is the production of foodstuffs, not only for the people of Canada but for overseas as well.

A serious situation has arisen in the dominion in the form of a shortage of man-power for agriculture. Everyone realizes that we must have men to man our armed forces, but I am sure that everyone realizes equally that we must have foodstuffs in abundance. So serious has this shortage of man-power been throughout Canada that a great many farmers heard with considerable disappointment and some consternation the statement the other day by the Minister of National Defence that men could obtain leave from the units only on compassionate grounds and only in very exceptional circumstances.

That there is an acute shortage of man-power in agriculture throughout Canada, I think no one will seriously deny. In February and March a survey of agricultural conditions in Ontario was undertaken by the federation of agriculture assisted by the Ontario department of agriculture. Part of that survey was carried on in my own county and I understand it is now complete. I have under my hand a paper entitled "Preliminary report of Haldimand county farm survey." It gives some figures covering the first 108 farms that were surveyed in that county which I think are indicative of conditions that prevail throughout the sections of Ontario where mixed farming is carried on. There were 108 farms in the preliminary survey, and those 108 farms average 120 acres in extent. They have a population of 391 persons, but of those 391, only 143 were male adults, or an average of about 1·3 male adults per farm. Anyone who has very much knowledge of farming operations knows that is not sufficient man-power to enable such farms to produce as they should produce.

Moreover, it was shown that during 1941 at least one-third of the hired help on those farms left, either to enlist or to go to the cities and work in manufacturing industries of one kind or another. It was further shown that to-day there are at least forty-five men urgently required on those 108 farms. It was also stated by a number of farmers with insufficient help that production on those farms could be increased anywhere from 50 to 75 per cent if they had sufficient labour.

The average age of the male adults on those 108 farms was fifty-three years, which means that quite a percentage were anywhere from sixty-five to seventy years of age and over, and therefore not in a position to carry on farming operations as actively as younger men could do.

The survey also showed that wages since the beginning of the war had increased by 80 per cent, which makes it almost impossible for farmers to engage hired help of any kind, because farm prices have not increased nearly to the extent of price increases of other commodities.

I might give the committee one instance that came under my observation. It is my very next-door neighbour; I live on the farm myself. He is a young man, thirty-five years of age, with a wife and two children. He owns 150 acres of land and has a dairy herd, some twenty-five milch cows and a number of young cattle, besides other stock. He has been endeavouring since last fall to carry on operations on that farm alone, except for the assistance of his wife. The other day I found both him and his wife out in the field trying to get their seeding done, while the grandmother was looking after the children in the house. That is the condition which prevails in large areas of Ontario. I think it may safely be said that those conditions are somewhat general, particularly in those areas in Ontario in which mixed farming of one kind and another is being carried on, dairy production, the production of live stock, fruits, vegetables and so forth.

Mr. THORSON: In western Ontario particularly.

Mr. SENN: We will include western Ontario particularly. There are three causes for the present situation in regard to the lack of man-power on Canadian farms. The first cause I have already indicated, namely the exodus to the city of so much farm help and of so many farmers in areas mostly surrounding the large manufacturing cities, lured there by high wages and the shorter hours of labour than those which obtain on the farm at the present time. I may refer to that a little later.

The second great cause of the conditions that have arisen has been the voluntary system of enlisting. I hesitate to say that it has been an entire failure; I do not think it has. I would be reluctant to make such a statement because I honour more than words can tell the loyal young men and women who from a high sense of duty to their country and the empire have enlisted to fight its battles. I believe, however, that a cause of general disappointment has been the administration of the mobilization act as it exists to-day. The disappointment is that a system of selective service was not inaugurated immediately after registration was completed. I believe it would have been much better. The great majority of the Canadian people think it would have been much better, if our men and women had been placed in their proper categories, having regard to their qualifications for labour, and if the man-power of this country had been regimented and placed in the particular occupations for which they were best fitted. The voluntary system has been objectionable because it has taken from the farm many young men who were more usefully engaged in the production of foodstuffs than they could ever possibly be in either the active or the reserve army.

The third cause I would assign is the fact that a large number of young men have been taken from the farms to man the reserve army and the trainee camps.

The government undoubtedly have been aware of this increasing shortage of man-power on the farm. They have been warned about it on a great many occasions. About a year ago or a little earlier I had the honour to move in this house a motion, on going into supply, asking for a parity between farm prices and prices of other commodities. At that time I instanced clearly that there was a decided shortage of labour on the farm. I pointed out that farmers were unable to compete in the labour market with other industries. In making this presentation I was ably seconded by other hon. gentlemen such as the hon. member for Qu'Appelle, the hon. member for Lake Centre, and many others. But the government took no action whatever. As a matter of fact, the motion was voted down.

Again early this year the Canadian federation of agriculture met the government and laid certain facts before them. As reported in

the Ottawa *Journal* of January 28, 1942, Mr. Hannam, president of the Canadian federation of agriculture, had this to say:

> The challenge of increased production to agriculture could only be met:
>
> 1. If farmers are assured the fullest possible quota of skilled man-power "consistent with a balanced allotment of Canada's available man-power between the active forces, agriculture and industry";
>
> 2. If farmers are assured an income adequate to pay skilled help, maintain and increase farm equipment and increase herds and flocks;
>
> 3. If farmers are given guidance on production goals, looking ahead more than a year with the assurance that returns will enable them to meet the cost involved.

There he laid down three principles. First, we must have increased production, and we have from time to time been asked for increased production by the Minister of Agriculture and others representing the government. But if we are to have increased production, we must have skilled man-power on the farm in greater numbers than we now have it.

Second, we must have parity of prices because the disparity between prices of farm products and prices of other commodities lures men living on the farm into other industries in which they can find more lucrative employment. Third, Mr. Hannam mentioned that we must have leadership, direction as to the classes of commodities we should produce on the farm. I made that abundantly clear last year. The government have failed in their duty in this regard, that the farmers are not put in a position to know what it is necessary to produce either for export or for consumption within our country. We have a Department of Agriculture, and we have a board set up for the very purpose of studying problems of this kind and to give leadership because the farmers must know a considerable length of time ahead what is required of them, for they have to make their plans at least a year or more before the finished product comes on the market. Unless they are given leadership, which they have not had from the beginning of this war, it is impossible for them to carry on as they should be allowed to carry on and as they are willing to carry on if the opportunity presents itself.

A third occasion on which the government were warned of the situation was just the other day when the Ontario agricultural council came to Ottawa and interviewed members of the cabinet. The gentlemen on the Ontario agricultural council are representatives of the county councils—most of them rural councils—throughout the province, and they know very well the position in which agriculture is placed in Ontario. I listened to a part of their presentation; I have read their brief, and it seems to me that they presented a very strong case to the government and showed clearly that conditions were not as they should be and that the supply of labour on the farm at the present time is not adequate.

I want for a moment or two to refer to order in council P.C. 2252 and what is known as the freezing of farm labour on the farms as of March 23. I was very much interested indeed when the minister mentioned his press release of April 17. There is one sentence which I should like to read to the committee and comment upon:

> The essential purpose of these regulations is to prevent the agricultural situation in Canada from deteriorating beyond its present position and to enable the country to carry out the important food production aspect of its war effort.

From that it is clear that the minister realizes that the production of food is essential, but I do not agree with the idea that there is sufficient labour on the farms at the present time "to carry out the important food production aspect" of our war effort. In fact it seems to me that the laying down of the principle of stabilizing employment of men engaged in farm labour on March 23, while to a certain extent it helps the situation, is something like locking the stable after the horse has been stolen. Any action which the government took should have been taken much earlier. The minister has given enough figures to show that, under the situation as it exists, and with the shortage of farm labour, there are altogether too few people in Canada to increase production as they have been asked from time to time by the Minister of Agriculture to increase it. I fully realize that it is necessary that it should be increased, because the quotas of different classes of farm products have been enlarged owing to the agreements that were made with Great Britain this year, and I am sorry to say I fear greatly that Canada is going to fall short of its quotas unless some extra provision is made for farm labour at the present time or before the year is over.

I fully agree with what the president of the federation of agriculture stated, that the farmers should have a greater income if they are to be able to procure labour at all. The fact remains—I think it is generally true all over the dominion; at least it is in Ontario—that farm wages have risen very much more than the income from the products of the farm. One has only to travel through Ontario to see that there are farms lying idle at the present time. Many other farms have been

gradually going back to grass, and the farmers are living there and producing only enough to maintain themselves, because of that shortage of labour.

The farmers of Canada are just as loyal as any other class. They realize as keenly as any other class the danger in which this country stands and in which our liberties are at the present time. They are being asked, as I said before, to increase production. We do not need to have any fear that they will not produce to the limit of their capacity, but that capacity is definitely limited. It is limited by lack of man-power, a condition which in some measure is due to lack of policy on the part of the government at a time when it should have taken action.

Following the registration of 1940, immediate steps should have been taken to allocate man-power to the different branches of industry, including agriculture. Only by such a scheme could maximum production be secured and maintained and the ranks of our military forces filled as they should have been. I suggest to the minister that men are in the active service force and in the reserve army to-day who should never have left the farms; they would be of infinitely greater service to the cause of freedom and to the war effort were they producing necessary foodstuffs. I therefore urge the administration to act promptly and to act before it is too late and before our capacity to maintain our quota of foodstuffs becomes hopelessly demoralized and wholly unattainable.

I have nothing further to say. More consideration should be given to this topic and further efforts should be made on the part of the administration to supply a greater source of labour to the farmers of this province and of the dominion.

Mr. THORSON: The hon. member for Haldimand has in his usual able manner indicated the needs of agriculture in this country and the desirability of seeing that we can fulfil the agricultural commitments which are part of our war effort. Undoubtedly it is one of our war objectives to produce in Canada as much in the way of essential foodstuffs as can be transported to Britain and our other allies.

We feel that the fulfilment of that part of our war objective must be safeguarded. Each purpose of our war effort has its man-power requirements, and it is essential to safeguard the man-power requirements of the agricultural portion of our war effort programme. When we were studying the situation we were able to form an estimate that between August, 1940, and January, 1941, approximately 130,000 men had left agricultural production in order to go into some other field of activity. Others were of opinion that that estimate was too low and that the figure should be 160,000 men. Those men had left agriculture for other activities, as indicated by the hon. member for Haldimand. There had been a great rush from the farms into the cities to engage in war activity of one kind and another. There was also a very large drain on agriculture as the result of extensive voluntary enlistments.

There was also the lesser drain as the result of the calling up of men for military training It was felt that this drain should cease, if we were to fulfil our agricultural commitments. It was also felt that we would be able to fulfil our agricultural commitments by and large across the country if we prevented further undue drain of agricultural labour. That does not mean to say that the situation is wholly cured in every part of the country, but by and large we believe that this large scale allocation of labour to the essential purpose of the production of food will serve that purpose of our war effort and will safeguard its fulfilment. It may be that the production of a certain commodity will fall in one part of the country, but it will probably increase in another part. The areas that were hardest hit were areas like western Ontario and the territory contiguous to Montreal; indeed, all the milkshed areas contiguous to large cities or cities where there were large concentrations of war industries. In some of those areas the depletion of agriculture has been so great as to be quite serious. In other parts of Canada it is not so serious. All the facts that the hon. member for Haldimand referred to were, I believe, taken into account by the government in framing this policy. We decided that if we took the men who on March 23 were wholly or mainly employed in agriculture and in a sense "froze" them in agriculture, we would be allocating to the essential purpose of agricultural production practically adequate man-power, taking it by and large across the country. That was the case which was presented to us; that is some of the background of this policy, and those are some of the reasons for making this allocation of man-power to the essential purpose of agricultural production as part of our war effort.

Mr. SENN: Does the minister not think there is an element of unfairness in compelling men to stay on the farms at this time, where they are getting a comparatively low wage for long hours of labour, while men who left the farm prior to March 23 are in the cities enjoying much higher wages and shorter hours of labour? It seems to me that the government should make some provision to remunerate

men of that class for staying on the farm, whether it be by way of bonus or some other way. It seems to me only fair that something should be done to put those men on an equal basis with their brothers and cousins who have gone to the cities and are enjoying much higher wages.

Mr. THORSON: There is definitely that element of unfairness, I am free to admit. We did give some consideration to the question of a bonus, but it was felt that it would be almost impossible to work out any kind of bonus scheme that would be at all adequate. If you fixed a certain amount, in one part of the country it would be a pure gift; it would be much too high. On the other hand, in some areas that I have particularly mentioned, if a bonus were paid to farm labour to keep men on the land or attract them to the land, it would not be enough to counterbalance the superior attractions of high wages that would pull men from the farms into war industries.

But there were some other factors involved in the consideration of the whole question, one being that to a certain extent the drain from the farms into war industries was coming to an end. Then there is the exceedingly difficult, if not impossible, conception of equality of sacrifice in time of war. I do not think there can be equality of sacrifice and maximum effectiveness at the same time. What equality of sacrifice is possible between the airman whose days may be numbered from the day he enlists and the man who works in a munition plant or on the farm? What equality of sacrifice is there between the soldier, sailor or airman who offers his life, and the person who does absolutely essential war service? You can perhaps have equality of contribution to the effectiveness of the war effort; I do not think you can have equality of sacrifice.

Mr. BROOKS: There is not even equality of pay.

Mr. THORSON: No. But there is a difference between equality of contribution to the effectiveness of the war effort and equality of sacrifice. I cannot think of any scheme that can bring about equality of sacrifice in time of war and at the same time make for maximum effectiveness. There is not equality of remuneration or reward either. There is no equality of remuneration between the soldier, sailor or airman, and the young man who works in a war industry at a high rate of pay; or between the man in the war industry and the man on the farm who has his difficult task to perform. They are all essential to the effectivenes of the war effort, but there is not equality of remuneration and there is not equality of reward. The man who enlists voluntarily has his own remuneration and his own reward. It is inside him. He knows that he answered the call of his country when the call came. When this conflict is all over he will remember, even if everyone else has forgotten, that he answered when the call came. That is his reward, and that reward cannot go to anyone except the volunteer. So these conceptions of equality of sacrifice and equality of remuneration are easy to talk about, but the thing with which I am sure every hon. member is concerned is maximum effectiveness, even though that has to be achieved at the expense of such things as equality of sacrifice.

Mr. CHURCH: I have seen the operation of this act and these regulations in Toronto and district, the main recruiting city of this dominion, and in my opinion the act and the regulations have been weighed in the balance and found wanting. I would point out that conditions have changed a great deal since the last war. With this act and all the rules and regulations with regard to delinquents, postponements and so on, I do not know how you are going to get an army, at least in Ontario. The farmers did not object when their sons voluntarily went into the air force or the navy. Both those services have long waiting lists, and it is only the army that has had trouble in getting recruits under this cumbersome system. That is not the fault of the minister; it is the result of the system. I took the same ground previously, before the minister was in charge of the department, and objected strongly to this act. These boards are headed mostly by judges; but if courts took as long to choose twelve jurors as these boards require to get twelve soldiers, the jury system would have been abolished long ago.

To those who represent farming constituencies I say that Ontario is taking action. I think almost 30 per cent of those attending the secondary schools of Toronto have gone on the farms already. The other night I handed the minister a thirty-six page extract from a *Hansard* debate in the British House of Commons concerning women in the old country, where they are doing a great deal of farm work, and in which regard they are far ahead of us in this country. These boards meet; they receive applications, and business is conducted as in a court of law. With the way they meet, and all the postponements that are granted, I do not know how you are going to get very many men into the army. How are we going to fight Hitler, in his third spring offensive, when we have

all this trouble in getting an army in Ontario and the other provinces, with all the clamour and agitation going on for postponements and exemptions? Everyone wants somebody else to go into the army and fight for them.

Large numbers of boys from the farms of Ontario have gone to the cities and towns, where they are working in munitions plants. They will not work on the farms. I was talking to one of the judges who preside over these exemption boards, and he said that something should be done. In some cases two or three sons have gone to the city from one farm. Even high school boys in huge numbers have gladly gone from the city to the farm, although they can make five times more in munitions work than they can on the farms, and as a result we have not the number of men on the farms that we need, although the city help has gone to assist them. The whole system under this mobilization act is wrong; it is too cumbersome and too circuitous, costly and inefficient. We never should have introduced it. The old method of recruiting was better. No wonder the military authorities are complaining. We could have had a million men under the voluntary system, but recruiting was not given a chance with it, on again, off again, on again, just according to the season. The sources of recruits for the army, which is the only service to which this act applies, were dried right up from the start with all the postponements, evasions and antiquated methods, and the way the recruiting under the voluntary system was handled. Canada is lagging away behind, as far as the army goes. The lack of one division of infantry to oppose Japanese infiltration brought about the loss of Singapore. It was the old simple system that took that island; the rifle, the bayonet, the machine gun, the tommy gun, and especially the infiltration of the infantry led to that great disaster. In Australia they are handling the farm and army situation better than we are, though they had a hundred thousand men overseas, and though they lost many men in Crete, Greece and Libya. If Hitler should appear off our coast or in the St. Lawrence, or if we should be invaded by the Japanese, we would hear less talk about these exemptions.

These boards move in a mysterious way their wonders to perform. They meet; they postpone; they talk, and as I have said, I wonder that we got as many men in the army as we did. Recruits are needed; that is primary, not secondary. Men are needed in the army, and you are not going to get them by going about it in this way. In my opinion the entire act should be repealed and abolished. We have three war departments, and we never should have divided them up. They should be reunited in one department, because this separation has led to untold waste, duplication, and the spending of a mint of money. Even in the Department of National War Services, think of the number of forms and stationery and the amount of waste-paper. I do not know how many vaults are needed to house it all, but in Toronto I have seen the billboards, the advertisements, the literature and all the rest of it. In spite of all that the act has been a complete failure and, in my opinion, should be repealed. We should go back to the old system. If we had the three departments brought together again, I am sure we would bring about greater efficiency and economy, because we need action and time is most important since we were an unmilitary dominion.

I do not know how we are going to get the men we need for our army this year. The enemy are at the front door, the back door, the side door and all the other doors, but our men are not going into the army. They shun it for the air force and navy. I think we should have a better, more simple and modern system. I have some sympathy for the minister. I am not unfriendly toward him. Perhaps he has done the best he could, but I think the system is altogether wrong. The minister might evolve a better system which would get far better, surer and quicker results than have been obtained so far. I have seen the operation of this act in the city of Toronto, and I say we are not getting the recruits. One employer may say, "I need this key man." The answer is, "well, we will try to get you a postponement." Probably the man sees his member of parliament or some city official; they see the board, and action to aid a postponement is taken accordingly. How are we going to get the men? We are now more than half through the third year of the war, and the situation is not as it should be in regard to recruiting. No wonder voluntary enlistments have fallen down. They have none of this trouble in the navy and the air force, as I have said; we hear very little from the farmers in opposition to their sons going into those services, and there is no demand for postponement there.

In my opinion this farm situation is largely a provincial rather than a federal matter. Agriculture is something in regard to which there is concurrent jurisdiction between federal and provincial authority, but in war time a great deal of the farm work should be gone into and controlled by the provinces. I believe the first duty of a citizen is to defend his country and the defence of the

realm, and, if necessary, to leave his farm, his business, or his job. I admire what the farmers of this country have done. During the last war many boys from the finest farms of Ontario went to the war without coaxing; they have done the same in this war, and many do not want to farm and stay at home.

Mr. GREEN: As I understood the minister's explanation of the policy of the government with regard to farm labour, it is that there is no need to provide for more farm labour, but that what is required is to prevent any further decrease in the farm labour available. It is possible that this policy will not go far enough, that the government may have to make some provision for increasing the available supply of farm labour, and I should like to know whether any consideration has been given to plans having that object in view.

I have one or two suggestions which might be considered by the minister. First of all, there is order in council P.C. 2250, which prohibits the employment of men from seventeen to forty-five inclusive in non-war jobs. As I read that order in council, it is designed to force these men into the armed services, or into war jobs. There is apparently no intention of forcing these men into agriculture. It may be that the government has some order in council, or could take some step which would help channel those men who leave non-war jobs in industry into agriculture. At any rate, I would suggest that the minister give consideration to some move of that kind.

The other suggestion is with regard to women. As I read the announcement made by the government on March 24, it had in mind using more women in war industry. However, no mention at all was made of using women in agriculture. It may be that that would be another source from which quite a large body of agricultural help could be obtained.

Mr. MacNICOL: May I ask the minister, in reference to the discussion which has been going on, if the government or his department is taking any notice of the fact that the farmers will have great difficulty in obtaining large tires and gasoline for their tractors. Unless they are able to obtain tires, tractor repairs and gasoline to operate the tractors, of which nearly every farm in the country has one or more, many more men will be required on the farms than are now there.

Mr. DOUGLAS (Weyburn): The minister has not yet answered the question I put to him before supper, and one which I asked the Minister of National Defence some time ago. I asked what happens to the men who were called to report on April 9. My interest is not that of having any man kept out of training, if he ought to be in training. My interest is that the whole question of calling up men for military service shall be as fair and impartial as possible, so that people will not feel that there is any discrimination, or that any particular person or group of persons is being penalized.

With reference to the men called on April 9, there was a piece of serious muddling somewhere. I do not know who was responsible. However, I am asking the minister to look at the facts. Order in council P.C. 2252 was passed on March 23 and tabled in the house on March 24. It was passed along with other orders in council. They were not generally made known throughout the country until March 25. The minister knows just as well as anyone that there are hundreds of little hamlets throughout Canada where the people get their mail only once a week. There are thousands of people, particularly in western Canada, who do not get even a weekly paper. Many of these people knew absolutely nothing about the new regulation. Those who did know did not properly understand it. As a matter of fact, the newspapers generally inferred that the exemption for men on the farms was automatic. Proof of that is that the minister himself subsequently issued a press release trying to clarify the situation.

Even those who did understand the regulations were in a quandary. When I returned home for the Easter recess many of these men came to me, or called me by telephone. They were men who had made applications for postponement, but who had been refused postponements on the ground of the regulations as they existed prior to March 23. I telephoned the board and they said, "Why, not only can we not consider postponements under the new regulations, but we have hundreds of applications for postponements under the regulations as they were before March 23, and we have not been able to reach them yet." Some of those cases were still being heard on the morning of April 9. Some men were granted postponements, turned round and went back home.

The other evening I asked the Minister of National Defence a question along this line, and his reply was much the same as that made a little while ago by the Minister of National War Services. The Minister of National Defence said at that time, as reported at page 2154 of *Hansard:*

> He should have made his claim then. The rule is that if he does, and shows that he was wholly or partly engaged in agriculture at

that time, the burden is on someone else, I suppose the army authorities or the Department of National War Services, itself, to show that he was still, even though wholly or mainly engaged in agriculture, not essential thereto. I do not know why he has not made that application. Perhaps he has.

Then he went on to say:

If he has not made that application and has gone into the service he may still apply to the commanding officer, who will refer the application to the board through the district officer commanding.

But that is a totally different thing. Then the minister is reported as follows, on the next page of *Hansard:*

My hon. friend is under a misapprehension when he speaks of a provision having been made. The only provision which has been made is the provision that when an application is made for compassionate leave—not for seeding, but for leave under special circumstances—the commanding officer makes a recommendation, whatever it may be, and passes it on to the district officer commanding, who sends it to the board.

These are two different things: the one—postponement from military service; the other—leave on compassionate grounds for a stated period of time.

I would not want these men to feel that they had been misled by anybody. But they made reference to members of parliament and to the board, and said, "We have been called. Some of us have asked for postponement and have been refused. Some of us did not ask for postponement because, under the regulations as they existed prior to April 23, we were not eligible. Now comes a new postponement, two weeks before we are due to report. What are we to do?" In every case they were told, "Unless you get word not to report, you should report. Otherwise you are liable for action under the war services regulations." These men came in and reported. If some young man stayed at home and said, "I am not going to report until I have had a decision regarding my application under the new regulations for indefinite postponement", he still has a chance to get a postponement. But these other men are now out of the jurisdiction of the Department of National War Services and under the jurisdiction of the Department of National Defence. They cannot obtain postponements now. But they can apply on compassionate grounds for leave to do spring work. It is a pretty serious situation. In some ways these men were almost enticed into Regina under false pretences. They were brought there under the impression that it was impossible now to apply for leave under the new regulations.

The secretary of the board told me frankly, "We have hundreds of applications made under the old regulations. We cannot begin to deal with the new regulations at the present time." Yet, according to both the Minister of National Defence and the Minister of National War Services, these men were eligible to make application. Nevertheless the board was not in a position to hear their applications or proceed with their cases.

I believe with reference to this group that something ought to be done. Either the regulations passed on March 23 should have been held over until after April 9, or they should have been brought down early enough so that these men would have had some opportunity to make their representations to the board. It is a serious matter for the men, because this is not a matter of training for thirty days or even for four months. It is a matter of service until the end of the war. I believe the impression will be prevalent in some quarters that these men were called in and told to report without being informed, as they should have been, that they had the right to make an appeal for postponement.

One other question I should like to ask the minister has to do with the press release. He says that a definite change has taken place with respect to this order in council. I am not clear as to where the fundamental change is. As the regulation stood prior to March 23, if a man were called he had the right to make an application for postponement on certain grounds. The onus was on him to prove that he had the right to such postponement. The board was to decide, and its decision was final. It seems to me the change is that instead of the man having to satisfy the board as to his right to postponement, the board must satisfy itself that he has that right.

The minister said a little while ago that these regulations were mandatory. They are mandatory only on the board to satisfy itself. It is the prosecuting attorney and the judge.

Mr. THORSON: I may say that it is mandatory upon the board to grant the postponement order, whereas previously the granting of a postponement order was within the discretion of the board.

Mr. DOUGLAS (Weyburn): It is only mandatory upon the board to grant a postponement order if the board is satisfied that it should be issued. In other words, the decision is still with the board; the onus is not on the board to do anything except satisfy itself that the man does or does not deserve postponement. It seems to me that there has been no fundamental change at all, the situation is exactly as it was before except probably that the board has a wider basis for

granting postponement. Whereas before it granted postponements only on compassionate grounds, where it could be shown that it worked a hardship on a man's family if he were taken away, because the father and mother were incapable of carrying on—

Mr. THORSON: Has the hon. member forgotten section 14, that it is in the national interest? Applications for postponement are not granted solely on the basis of hardship on the applicant.

Mr. DOUGLAS (Weyburn): It has been granted in many cases for that reason. It was granted in a particular case where a father already had three sons overseas and they were taking his last son. The father was blind, and the board decided to grant a postponement because they felt it was warranted. I think that was quite fair and proper. The only difference is that it has been placed on a more factual basis. I am not complaining about that, but I do not think the minister is correct when he says that there has been a fundamental change. There has been no fundamental change. A man still has to apply to the board, and the board must still decide in its own wisdom, without any appeal, whether or not the man is essential to agriculture. There is no appeal; it is merely up to the man to prove, or for the board to disprove, that he is essential to agriculture. Personally I cannot see that any great change has been made. I should like to ask the minister to give some consideration to those men who were called on April 9 but who were never properly informed about this regulation. Even if they had been properly informed, they were never given sufficient time to make proper representations to a board and have their cases heard, as they had a right to do under P.C. 2252.

Mr. THORSON: I shall be glad to take note of what my hon. friend has said, but I cannot add anything to what was said by the Minister of National Defence and what I stated this afternoon when the point was raised. There was nothing before the board after March 23 to indicate that the person desired to apply for postponement under the terms of that order.

Mr. DOUGLAS (Weyburn): Did the boards have these orders in council?

Mr. THORSON: Almost immediately after they were published.

Mr. DOUGLAS (Weyburn): How many postponements were granted on the basis of these regulations?

[Mr. T. C. Douglas.]

Mr. THORSON: I would not have any return as yet on that particular subject. I have no doubt that a good many persons who were called to report on April 9 had not any intention of applying for postponement.

Mr. DOUGLAS (Weyburn): Many of them had been rejected already.

Mr. THORSON: Many had made their applications for postponement and had been rejected.

Mr. DOUGLAS (Weyburn): On the basis of the old regulations.

Mr. THORSON: On the basis of the old regulations. In the case of the western boards, the Saskatchewan board particularly, I think the record of performance in respect of applications for postponement from farmers indicates that they are fully seized of the importance of agriculture to the national economy. I filed tables showing the applications made. The tables show also the grounds of the applications and the extent to which they were granted or otherwise. I wonder whether there are as many cases as my hon. friend would indicate. I shall be glad to look into the question further. Thus far not many cases have been brought to my attention. The answer is the one I gave this afternoon, that the amendments apply to the person who makes the application under them and not otherwise.

Naturally there would be some confusion in view of the fact that the call was fixed for April 9 and the regulations were not announced until March 24. If the course suggested by the hon. member for Weyburn had been followed, namely, that we should have postponed the announcement of our regulations until the April call was filled, I am satisfied that a great many persons who have had the benefit of the regulations, if it is a benefit, would not have come under the regulations. Perhaps it is as broad as it is long. Whenever any change of this sort is made in procedure, a certain amount of adjustment must of necessity take place. Every effort was made to meet the situation and comply with the requisition that was sent from the Department of National Defence. I shall be glad to look into the question which my hon. friend has brought to my attention.

Mr. CASTLEDEN: Will the minister explain how the boards confirm any statements made to them by applicants for postponement?

Mr. THORSON: There is no fixed method, but there are various sources of information available to the board. Frequently a board is satisfied with an application on its merits, or it may inquire of prominent people in the

district or make use of other reliable sources of information that are open. If the board thinks a case looks doubtful, it may refer the file for police investigation. There is no fixity about it. I think the beauty of the system is its flexibility and the informality with which the board deals with the applications.

Mr. CASTLEDEN: I think too much flexibility might not work in the best interests of the applicants and the country. You must be careful who the informants are and what the information is.

In the administration of the act there are several features which I think are objectionable and which lead to a degree of discrimination and therefore of injustice, which should be avoided. But it is perhaps only natural when things of this kind are done by order in council. This government has been an order in council government, and the objections to that have been numerous and very strongly expressed, certainly from this side of the house. What the hon. member for Weyburn said this evening is only too true. People are not familiar with the regulations; they are not familiar with the orders in council. Members of the house know from their own experience that it is difficult enough for them to try to keep up with all the orders in council that are being passed. Then press dispatches are put out, and there are press releases, and amendments to the regulations. People do not know the regulations, and certainly they do not understand the procedure. I have found in my own experience that a vast number of people who have been called up have no idea how they should proceed in presenting their case before the board. The boards are not sufficiently approachable, and the recruits do not understand their rights and privileges.

One of the main tasks of a department that is being administered as this one is, with orders in council constantly changing the basis of approach to the problem, is to see that the people are completely informed. There seems to be a lack of imagination on the part of some officials to realize that many of these people who are being called up do not read very much, and that there are people of different languages and different races who cannot read the English language any too well. The department should do more towards informing these people fully and seeing that abuses do not arise. In the house this evening we have had recorded a serious case where one kind of justice was meted out to a man who could hire a lawyer to conduct his case and where a different decision had been handed out when the man had presented his own case. Was that not the case that was presented here this evening, the case of a man who failed when making his own application for postponement which was afterwards granted when a lawyer appeared for him? The facts of the case have not been denied.

Mr. THORSON: No facts of the case were given.

Mr. CASTLEDEN: The facts of the case were given very clearly, and there was certainly no indication that the administration was going to take any steps to remedy that situation. When there can be one law for those who have money to engage somebody to present their case for them, and another law for those who cannot afford to engage help, conditions in Canada are in a very serious state, and when that happens in the conscription of men it is a sad reflection on the administration. I am only saying what I am saying in the interests of having that fairness and even-handed justice which should prevail. If justice is not even-handed, it is not justice, and the duty of every member should be to see that everything is done to maintain justice.

I know personally of the case of a man on a half-section of land who applied for postponement and received it. He made a second application and got one month's postponement. He was then called up and further postponement was denied him. That man then had to go back to his farm, and he took all the stock he had into town and sold it for whatever he could get. His cattle were not finished, and he suffered a terrific loss. He had to abandon his farm, and the latest report I had was that no one was working that land. It was left without any cultivation and without any protection even for the buildings and machinery the man was forced to leave there.

Another case was brought to my attention of a man farming a large tract of land. His father had 900 acres of land under cultivation, also 100 head of cattle and thirty-five head of horses. The father was fifty-eight years of age, and the boy, twenty-four years old, had been most useful in operating the farm. He understood how to run a tractor, and he was really a key-man in agriculture if anyone can be considered such. That boy made application for postponement. He probably could not present his case as well as he might have done had he had more education and been more familiar with the English language. His efforts to get a postponement were not successful. He was called up, and the father was left to operate the farm as best he could. These are actual cases where men have been called up. I only hope that where there is less ground for postponement than in these cases, the applications have not been granted.

There are one or two constructive suggestions I should like to leave with the minister. First of all, I would say: Keep the people informed and see that all those who are liable to be called are fully informed as to their rights and privileges. Second, I would say that the boards should be made more approachable, more easily accessible. Third, they should be enlarged. Other persons than employers might be permitted to present the case for any man. The instructions that are sent out to those being called up should be complete and in full detail. There should also be some form of central board of appeal from the decisions of the local boards. I know the minister says that it is entirely up to the boards of the various provinces. The reason why I have not brought more of these matters to the attention of the minister has been that his attitude has been that it is entirely the responsibility of the various provinical boards.

Mr. THORSON: That is correct.

Mr. CASTLEDEN: I also say this, that in cases where men are called up, the period in which they might be granted the right to appeal their case should be extended beyond what it is at the present time.

Mr. THORSON: Is the hon. member referring to the eight days from receipt of notice?

Mr. CASTLEDEN: No. Sometimes these men get called up before they realize their rights in the situation. Some men have been granted their postponement on condition that they enrol in the reserve army. That was the procedure.

Mr. THORSON: I have not heard of any such case.

Mr. CASTLEDEN: That was common procedure in Saskatchewan for some time.

Mr. THORSON: I have not heard of such a case.

Mr. CASTLEDEN: I shall be glad to give the cases to the minister.

Mr. BROOKS: That was the thirty-day training.

Mr. CASTLEDEN: This man was granted postponement from service conditional upon his enrolling in the reserve army.

Mr. BROOKS: If he made up his thirty days by enrolling in the reserve army, he would be exempted from the thirty-day training.

Mr. CASTLEDEN: This was a postponement granted this year.

[Mr. Castleden.]

Mr. THORSON: I have not heard of any such case, and I would be interested in having the particulars.

Mr. FLEMING: It is quite common.

Mr. CASTLEDEN: It was quite common in Saskatchewan. I know that there is a regulation form put up. This was printed in red ink at the bottom, that this postponement is granted conditional to the person who has been granted the postponement enrolling in the reserve army. I am not complaining of it. But that immediately takes the matter of an appeal or an application for further postponement out of the hands of the local board. Then the man, if he wishes to obtain postponement, must apply, I understand, according to the regulations, to his commanding officer within three months of the time he enrols. Then his application goes in front of his commanding officer. In case a man has enrolled or enlisted in the army he is granted three months, is he not, from the time he enlists, in which he can make further application for postponement or another hearing? A long enough period should be granted to each man so that he will have time to place his application before the proper authority.

These are the suggestions I offer to the minister.

Mr. THORSON: I thank the hon. member for his suggestions. I was going to deal with the more important amendments, and there is just one other in which I think hon. members will be interested. When persons were found to be conscientious objectors or Mennonites or Doukhobors, the boards had power to direct these persons to alternative service in substitution of the military service to which, on religious grounds, they objected. Originally that alternative service was limited to four months, by reason of the fact that that was the regulation at the time the four months training was put into effect for men who were called up. Recently we amended the regulations and made the alternative service of conscientious objectors of the same duration as military service.

Mr. STIRLING: For the duration of the war, that is?

Mr. THORSON: For the duration of the war, so that with regard to persons who take objection to military service on the grounds of being Mennonites or Doukhobors or conscientious objectors within the meaning of the regulations, if their contentions are maintained, their military training is postponed and they may be directed to alternative service for the duration of the war. Recently I entered into an agreement with the minister of lands of

British Columbia under which a very large number of conscientious objectors will be doing, in lieu of military service, alternative service of an important national character, namely the prevention of forest fires in that province.

Mr. GREEN: Would the minister give the approximate number?

Mr. THORSON: We have undertaken to send to British Columbia up to a thousand of these conscientious objectors, provided they are available.

Mr. ROSS (Souris): On what basis will they be paid?

Mr. THORSON: They will be paid on the same basis that they have been paid for the alternative service. My recollection is that they got fifty cents a day.

Mr. STIRLING: The minister is not sending any more Doukhobors to British Columbia?

Mr. THORSON: We will watch the Doukhobors for the hon. member for Yale, and not send them as forest fire preventers. They are not included in the list which we shall furnish to the minister of lands of British Columbia.

Mr. DOUGLAS (Weyburn): Are they issued with clothing in addition to the fifty cents a day?

Mr. THORSON: No.

Mr. DOUGLAS (Weyburn): They buy their clothing out of the fifty cents a day?

Mr. THORSON: So far they have bought their clothing.

Mr. CASTLEDEN: Was the system of granting postponement conditional upon enrolling in the reserve army condoned by the Minister of National War Services?

Mr. STIRLING: He never heard of it.

Mr. THORSON: It is a practice of which I am unaware. I shall be glad to look into that matter as well as into the other suggestions put forward by the hon. member for Yorkton.

Progress reported.

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

Tuesday, May 12, 1942

The house met at three o'clock.

WHEAT ACREAGE REDUCTION BONUS

REQUEST THAT PAYMENTS BE EXPEDITED TO PERMIT PURCHASE OF SEED

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I have received a telegram from Mr. John Vershagen, reeve of the municipality of Blaine Lake, Saskatchewan, stating that farmers in that municipality are unable to purchase seed with which to carry on their operations because they have not received their bonus payments. Will the minister endeavour to have these payments expedited?

Hon. J. G. GARDINER (Minister of Agriculture): Yes, Mr. Speaker. Of course it will be necessary for us to have the names of the persons involved. There must be very few who have not received their payments to date, unless a township is in dispute.

HONG KONG COMMISSION

INQUIRY AS TO PRESENTATION OF REPORT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to ask the Prime Minister whether any report has been received with respect to the Hong Kong commission.

Hon. J. L. RALSTON (Minister of National Defence): I understand that on account of the illness of the gentleman who was nominated by my hon. friend, briefs were not filed, and further time has been allowed. A date has been fixed within which the briefs are to be filed, I think within one week from now; and I presume that immediately afterward the matter will be dealt with.

Mr. HANSON (York-Sunbury): I thank the minister for the information. Personally I have made no inquiry as to the matter, but I understood that briefs had been filed. I did not know there had been any delay.

LABOUR CONDITIONS

BANQUE CANADIENNE NATIONALE—APPLICATION OF OFFICE AND PROFESSIONAL WORKERS FOR HEARING

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I should like to direct a question to the Minister of Labour, through the Secretary of State. I am informed by the Montreal local of the office and professional workers organizing committee that in December last they made application for a hearing before the Quebec regional war labour board on behalf of the employees of the Banque Canadienne Nationale. Their brief was presented on January 13, 1942, but as yet they have received no award, nor have they had a reply. I wonder if the minister could make a statement on the matter.

Hon. N. A. McLARTY (Secretary of State): My colleague the Minister of Labour (Mr. Mitchell) is unavoidably absent from the house

this afternoon on official business. I regret that the hon. member for Vancouver East did not give notice of this question, and I am afraid I shall have to ask him to allow me to treat it as notice of his intention to ask it. I shall direct the question to the attention of the Minister of Labour immediately upon his return.

Mr. MacINNIS: I did send notice to the office of the Minister of Labour, though it was rather short notice.

Mr. McLARTY: Then I regret that my hon. friend's notice was not brought to my attention. However, I think it is a matter that may well be allowed to stand until to-morrow, in view of the general nature of the question.

LOCKOUT AT KITCHENER, ONTARIO—DUMART PACKING PLANT

Mr. CLARENCE GILLIS (Cape Breton South): I too should like to direct a question to the Department of Labour, through the Secretary of State, based upon a telephone conversation this morning with one of the union representatives from Kitchener, Ontario, where a lockout is in progress at the Dumart packing plant. Is the Department of Labour aware of this situation and, if so, what steps are to be taken to compel the operators to reopen the plant?

Hon. N. A. McLARTY (Secretary of State): The hon. member for Cape Breton South was kind enough to send the Minister of Labour notice of his intention to ask this question, which notice was forwarded to me. I am advised that there is to be a meeting between the employers and employees this afternoon at 3.30, at which a representative of the Department of Labour will be present, when it is hoped that the difficulties will be ironed out.

WAR APPROPRIATION BILL

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

The house resumed from Monday, May 11, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

AIR SERVICES

Hon. C. G. POWER (Minister of National Defence for Air): Mr. Chairman, I do not propose to-day to make any formal statement on the affairs of the Department of National Defence for Air. I hope, following the custom which we have adopted with respect to this department, to cover in a fairly comprehensive way the principal activities of the department.

I may begin by giving approximately the number of men in the Royal Canadian Air Force. When last I spoke to the house, in November, 1941, the strength of the R.C.A.F. was approximately 90,000 men. At the present time it is over 115,000, inclusive of approximately 3,000 women's division, and exclusive of Australians, New Zealanders, Royal Air Force and civilians.

With respect to the man-power situation as it affects the Royal Canadian Air Force I am glad to say that it is what might be described in commercial language as easy. I believe it was in July 1941 we recruited something over 8,000 men, including ground crew and air crew. The figure gradually decreased as our needs for men decreased. At the present time we average something like 4,000 men per month. For instance, in January 1942 the number was 5,052; in February, 2,556; in March, 3,497 and in April, 3,683. As time goes on the necessity for raising recruits, other than air crew, will gradually be lessened. At present we have sufficient staff by way of ground crew and mechanics to man, or pretty nearly man, all our schools. We have also a very fair proportion of the number required to man our squadrons overseas, or in the course of preparation. And unless we take on other responsibilities, either arising out of this conference, or arising out of other demands to be made upon us by our partners in the plan, it is not likely that it will be necessary for us to keep up this rate of recruiting—for ground crew at any rate.

Perhaps it might be of interest to the committee to know that a portion of these recruits came from the army R recruits. The number is approximately 4,000, and about a quarter of these were air crew. Perhaps my colleague the Minister of National Defence will pardon my being indiscreet enough to say that he would prefer that we do not go into the army camps to take men away from him. As the committee knows, the arrangement is that up to the end of two months' training the Royal Canadian Air Force may recruit in army training camps. I do not think there will be any further necessity for our drawing upon the army recruits, so far as ground crew is concerned. With respect to air crew, my colleague the Minister of National Defence and myself will, I think, be able to work out a satisfactory arrangement.

It might be of interest to the committee to know something about the average age of the recruits we take into the air force. It has been fairly difficult to get at the ages of ground crew, but with respect to air crew I can say that in the period from August 1941 to January 1942, out of some 18,589 medical examinations, 24 per cent of those who entered as air crew were under 20 years of age, 53 per cent were between 20 and 24 years, 17 per cent were between 25 and 29 years and 4 per cent were 30 years or over.

With respect to our requirements for air crew, I believe it was over a year ago—in March, 1941—that I stated we had six months' supply ahead of us. At that time I expressed the fear that at some time our supply of men having sufficient physical strength and educational qualifications for air crew would dry up. I had before me statistics to indicate that the total potential matriculated high school graduates amounted to only something like 13,000 per annum in Canada. Those figures I gave to the house at that time in good faith. I also stated that there must be some kind of backlog of young men between 18 and 25 years, the ages I considered most desirable for air crew. Well, whether our recruits come from that backlog or not, the fact is that a year after my statement we still have a six-months' supply ahead of us, and the schools have not as yet graduated. If the experience of last year is duplicated, thousands of young men who have matriculated will flock into the air force. So that the time has not as yet come when there is any apparent falling off in our potentials, or even in our applications.

While I do not want to paint too rosy a picture, I must point out that in any case for the moment we have another reasonably good supply of air crew in those young men who early in the war, without knowing very much about the difference between air crew, ground crew, mechanics and pilots, joined the air force, almost willy-nilly. We have some thousands of young lads in the air force as mechanics, and some as standard duty men, who have the educational and I assume the physical qualifications to become air crew. As time goes on we are bringing them up and, if they so desire, remustering them in order to take on air duties. So that that is one reserve on which we can draw.

Secondly, there is the process of preenlistment education under the war emergency training programme, a joint enterprise of the Department of Labour and the provincial governments, wherein large numbers of young men who have not attained the required standards of education, that is to say the matriculation standard, can be brought up to our educational requirements. Schools with a capacity of 1,265 have been established across Canada. At present the enrolment in these schools total, upwards of 1,300; and to date 900 have graduated and enlisted in the air force as pilots or observers. We have an arrangement with them under which they are medically examined and interviewed by our people, and if selected they agree to enlist in the air force upon graduation.

We are making use of the Canadian legion educational service for candidates within the service. May I say that the air force is extremely grateful to the legion for the efforts which they have put forth in bringing a very large number of men in the service up to the requisite standard so that they could be remustered. We also have university training corps arrangements, to which I referred last year, whereby an opportunity is given to university students to undergo ground training during the period of their career at college, the ground training to be equivalent to the course which they would take in our initial training school. At the end of their college career they will have attained sufficient knowledge of navigation and kindred air subjects to be allowed to enter our elementary flying schools. Squadrons have been formed at McGill university, the university of Toronto, Queen's university, the Ontario agricultural college and the university of Western Ontario. Finally, we have as a very important potential source of air crew the air cadets of Canada. The air cadet movement was organized under the auspices of the air cadet league. We have found it advisable, while leaving certain functions to the league itself, to take over most of the training of these air cadets. At the present time we have something like 130 squadrons, with an enrolment of nearly 600 officers and 15,000 air cadets.

So much for the future of our air crew. I cannot give any assurance to the committee that the supply is everlasting. In a small country like ours it must be inevitable that some day sooner or later the field will be so narrowed that we will run short of air crew. But for the present, and with the means which we hope to take, we can look forward to a considerable time during which we will have little difficulty in obtaining the men which we require to make pilots, observers and gunners.

With respect to the estimates themselves, they are divided as follows:

Joint air training plan.....	$344,267,745
Home war.....	247,139,903
Overseas war.....	33,905,244
Departmental administration.	150,000
	$625,462,892

This total would be less the cash payments which we expect to obtain and which we are obtaining from Australia and New Zealand to the extent of approximately $40,000,000. This means that we are asking the house at the present moment for $585,462,892. These estimates were prepared to conform to the limitations provided in the War Appropriation Act. I may say that these are cash requirements, and whether more cash will be required in the fiscal year 1942-43 will depend upon the deliveries of armaments, munitions, equipment, planes and certain parts of our home war building programme. If complete deliveries could be obtained in the fiscal year we would require additional cash up to at least $300,000,000. After consultation with the officers of the Department of Finance and considering the record of deliveries in 1941-42, this extra amount has not been included, but if deliveries can be accelerated we will require from the treasury an additional amount.

For the information of the committee and in accordance with the custom which we have inaugurated, I have had a statement prepared indicating the highlights of the estimated cash requirements of this year as compared with the actual expenditures for the fiscal year 1941-42. With the consent of the committee, I shall just mention some of these and then have the statement placed on *Hansard*; it is a lengthy document. For instance, the cash requirements this year for construction and improvements for the joint air training plan and the home war establishment are $54,000,000 odd, while the actual cash expenditures last year were $68,000,000. I may say that to that $54,000,000 must be added an estimated expenditure of something like $42,000,000 for the building of defensive aerodromes in Canada in connection with the new policy of the defence of Canada. I hardly expect that that will all be expended this year.

We expended $87,000,000 last year for aircraft engines and spares and this year we expect to spend $171,000,000. Clothing and necessaries, last year $10,000,000, this year $18,000,000. Miscellaneous stores last year $11,000,000, this year $22,000,000. Rations, last year $6,000,000, this year $16,000,000. Arms and ammunition, last year $4,000,000, this year $17,000,000. Gas and oil, last year $9,000,000, this year $20,000,000. Overhaul of engines, last year $9,000,000, this year $34,000,000. The statement follows:

[Mr. Power.]

R.C.A.F.
Estimates 1942-1943

	Estimated cash requirement	Actual cash expenditure for fiscal year 1941-1942 (not final)
Pay and allowances—		
B.C.A.T.P.	$106,217,454	$69,222,743
H.W.E.	25,505,615	10,861,079
Overseas	26,034,937	2,050,837
Total....	$157,758,006	$82,134,659
Construction and improvements—		
B.C.A.T.P.	$ 25,966,199	$39,537,408
H.W.E.	28,877,825	28,631,324
Total....	$ 54,844,024	$68,168,732
Aircraft, engines and spares—		
B.C.A.T.P.	$ 36,785,986	$42,044,147
H.W.E.	134,969,419	45,155,671
Total....	$171,755,405	$87,199,818
Clothing and necessaries—		
B.C.A.T.P.	$ 15,081,560	$10,030,689
H.W.E.	3,322,505	491,133
Overseas	6,240	545
Total....	$ 18,410,305	$10,522,367
Miscellaneous stores—		
B.C.A.T.P.	$ 12,083,550	$ 9,191,386
H.W.E.	10,171,669	2,457,948
Overseas	3,000	371
Total....	$ 22,258,219	$11,649,705
Rations—		
B.C.A.T.P.	$ 14,008,888	$ 5,251,399
H.W.E.	2,782,475	662,946
Total....	$ 16,791,363	$ 5,914,345
Bombs and ammunition—		
B.C.A.T.P.	$ 10,843,950	$ 1,962,392
H.W.E.	6,363,222	2,165,080
Total....	$ 17,207,172	$ 4,127,472
Aero gas and oil—		
B.C.A.T.P.	$ 16,721,610	$ 8,200,773
H.W.E.	3,918,000	948,649
Total....	$ 20,639,610	$ 9,149,422
Overhaul of aircraft and engines—		
B.C.A.T.P.	$ 27,206,609	$ 8,975,373
H.W.E.	7,645,774	500,449
Total....	$ 34,852,383	$ 9,475,822

To revert to the first item in the order in which we have taken up these items, we are asking $247,000,000 for the home war establishment, plus, as I said, $42,000,000 and also plus certain other amounts should we be able to obtain the necessary aircraft. As is well known, the work of the home war establishment consists of guarding the security of Canada. The functions carried out are those of reconnaissance far out to sea to spot the enemy before he approaches our shores, convoy patrol in order to guard our sea lines and the sea lines to the United Kingdom, and anti-submarine patrol. This work has become increasingly difficult and increasingly important as the enemy comes closer and closer to our shores on the Atlantic coast and is a greater menace on the Pacific. We must see to it so far as we can that we keep enemy ships from possible bombardment of our east and west coasts and keep away from our Pacific and our Atlantic coasts enemy seaborne and airborne forces.

If we had been faced this time last year with the situation with which we are faced to-day we would have been almost helpless. It would have been extremely difficult for us at that time to provide increased submarine sweeps, more bomber reconnaissance off Newfoundland and the Atlantic coast and at the same time provide certain protection on the Pacific coast. Fortunately at the present time we have a large number of trained pilots, more than we had last year since at that time they were beginning to go overseas. We have more aircraft—not sufficient by any means—than we had, and our construction development of defensive aerodromes has progressed to a much greater degree than it had at that time.

I have always, when mentioning the home war establishment, endeavoured to pay my tribute to the pilots and other air crew employed on this most forlorn, most lonely and most unglamorous, if I may use that word, of duties. Day after day they go far out to sea over the Atlantic in all kinds of weather. They go out from Newfoundland, sometimes as far as Greenland. They go out through the fog of the Pacific. There is little glory, little renown and perhaps very little credit given to them, but I think the house and this committee should know that they are carrying on a very important work for the defence of Canada and the empire.

In respect to the joint air training plan, so much has been said about it that I hardly think it is necessary for me to go into the details of it here. The full plan is now in operation. Perhaps I might give a very short summary of the situation.

The parties to the agreement are the United Kingdom, Canada, Australia and New Zealand. The date of the agreement was December 17, 1939. I cannot give the number of the annual output of pupils, but I can say that the original plan, which provided for a "blank" number, has now been enlarged to a plan which provides for the production of 25 per cent more. The date of full production originally planned was April 27, 1942. The date of full production of the present plan, with the 25 per cent increase, was reached by December 15, 1941.

We commenced aerodrome construction on April 24, 1940. We commenced training on April 29, 1940, with an intake of 169 pupils. Our first pupils were graduated in November, 1940. I cannot mention the total number of graduates.

The estimated cost of the original plan was $642,000,000. The present plan is estimated to cost $824,000,000, with a United Kingdom contribution in kind estimated at $193,000,000, leaving a balance of $630,000,000. The agreed proportion which Australia is to pay is $51,000,000, and New Zealand, $36,000,000, a total of $87,000,000, and the present estimated balance which Canada will pay is $542,000,000, or just short by $100,000,000 of what the total plan was to cost originally. The actual expenditure up to the present, including commitments up to March 31, 1942, is $447,000,000.

We are now producing to full capacity. We have our schools built, our aerodromes built, and our establishment built in such a way that the output can be increased if necessary. We have only to add further accommodation. We have sufficient training aeroplanes for our training needs at the present time, and we believe that full provision has been made for future supplies. The technical staff is well trained, and we do not appear to be in any danger of being held up on that score. The Joint Training Plan has now achieved twice its objective, and air crew are being turned out in such numbers that not only are the immediate needs being met but we can absorb a surplus in our home war establishment at the present time. We are now presented with the opportunity of giving additional training in Canada by employing our pilots and wireless operators in a way that will afford them valuable air operating experience under good weather conditions before sending them overseas. As a result of this experience they will be better fitted to undertake more confidently operational training and active service operations in England.

There has been—and I do not think it is any secret—a change in the methods and character of warfare. Originally when we started this plan only three types of student graduates were to come out of our school, namely, pilots, observers and wireless air gunners. Not long ago we added gunners. At the present time we are preparing, so to speak, to change over our plant to some extent, to shift about certain schools and devote them to other specialties. We are now training ten different types of air crews; the single-engine pilot, the twin-engine pilot, the co-pilot, the flight engineer—we are not training any in Canada at the present time—the pilot's mate. All these are new nomenclature in our air training plan. Then there is the air observer—we had him before—navigator, air bomber, wireless operator (air observer), wireless air gunner, air gunner, radio observer. So that there will be considerable of a shift in our training syllabus and in our training schedules, but we hope to be able to meet that situation as we met the situation which confronted us before.

The house will ask me where these men are. Some have been ploughed back into the plan as instructors. Some few in the early days were kept for the home war establishment. But the vast majority have gone overseas. Some are in our own twenty-two squadrons, but thousands more are in the Royal Air Force in every quarter of the globe. They are in every raid, in every sortie; they are in every attack on Germany. Wherever the British forces are attacking, there you will find graduates of our joint air training plan. When this summer's air offensive is carried on, it will be found that there will be hardly a squadron in the entire Royal Air Force which will not have its proportion of men who were trained in and graduated from the Canadian schools.

It may be interesting to the house to know that Canadians in this air war, that is graduates of the joint air training schools, have won fifty-one awards for gallantry. The total number of awards to Canadians for gallantry, including those won by Canadians in the Royal Air Force, is 166.

So far as casualties are concerned, I need hardly mention to this house that not a day goes by but there is a list of the dead, or missing, or prisoners of war. Unfortunately there are very few listed simply as wounded. Hardly a day, not one day so far as I know, goes by without a very heavy casualty list of young Canadians serving in the Royal Air Force or in our own squadrons. A casualty list brings distress and tears but it also brings a legitimate pride to the parents of these Canadian boys. The number of casualties to date, including casualties in Canada and overseas, is 2,035.

I come now to the discussion of a matter of the utmost importance to all Canadians—the united nations air conference to be held in Ottawa next week, beginning on May 18. On April 16 the press of Canada and the United States carried the following announcement:

The Prime Minister of Canada and the President announced to-day that, at the invitation of the Prime Minister, a conference in which all of the united nations with air training programmes under way, either in the United States or Canada, would be invited to participate, would be held in Ottawa early in May.

The purpose of the meeting lies along the lines of further united military efforts. The meeting in Ottawa would extend the air programmes to take in the training of personnel to operate the military aircraft to the end that the most effective use will be made of all resources of personnel.

Great progress has already been made in pooling the aeroplane production of the united nations.

Plans for the conference developed out of the recognition of the desirability of more closely coordinating the British commonwealth (including Britain, Canada, Australia and New Zealand) air training plan with the greatly extended air training programme undertaken by the United States and others of the allied nations. In addition these would include China, Norway, the Netherlands and several others which are already at war with the axis.

The swiftly-moving events of the war—the Coral sea battle, Madagascar, Burma, and our own intense preoccupation with internal affairs—have perhaps served to divert attention from what is an important event in Canadian history, an event characterized by the *Financial Post* under the title "Tribute to Canada"—

Malcolm MacDonald told Britishers last week that the only martial exercise in which Canada is not well trained is in "blowing its own trumpet".

He referred to our magnificently trained troops; the miraculous growth of our navy and the British commonwealth air training plan whose efficiency had doubled the expected output.

Even if Mr. MacDonald had not graciously paved the way, there are three news events bearing on Canada's war effort which deserve more than a trumpet note at this time. One is:

1. The forthcoming united nations air conference at Ottawa on May 18.

It is well known that the United States wanted greatly to have the air conference held at Washington. But Canada's outstanding job in pioneering the training of airmen, made Ottawa the logical and inevitable choice. Every nation now recognizes (and will do so increasingly after May 18) that Canada has set the pace in this sphere.

There is much more to be done before this war is won. There is little time for self-congratulation or complacency. Yet proper

recognition of achievements such as these, by Canadians themselves, by fellow members of the united nations, and indeed by our enemies, is far from amiss.

This, to my mind, is the most important conference which has come to Canada since the imperial conference of 1932. It is one of the most important to be held by the United nations since the war started. There will be present representatives on a high level of the United Kingdom, the United States, Australia, New Zealand, South Africa, India, Southern Rhodesia, China, Norway, Poland, Belgium, Czechoslovakia, Jugoslavia, Greece, the Netherlands—

Mr. ROWE: What about Russia?

Mr. POWER: —in fact all the nations now fighting for freedom with the exception of the Union of Soviet Socialist Republics. They have been invited, but so far I have no news of their acceptance or otherwise of the invitation. The conference meets under the high sponsorship of Roosevelt, Churchill and of our own Prime Minister. It meets here because—and I say it advisedly and without either false modesty or vain boasting—Canada, of all the nations now engaged in fighting this war, has made the greatest progress in training men to conquer the air and to wrest the supremacy of the air from the enemy so as to pave the way to victory.

These delegates come here to observe what has been done, to note the methods followed, to consult with us as to the means to be taken, to endeavour to coordinate our efforts and those of our commonwealth partners into a world-wide united nations programme. This, as the newspaper has said, is indeed a tribute to Canada. And when I say "Canada" I mean, all Canada; for Canada has been the administrator of the greatest undertaking ever instituted within its territory. It has been successfully carried out, may I say in all frankness and all sincerity, not by the Department of National Defence for Air, not by the government, not even by the Royal Canadian Air Force, but by the people of the whole dominion, every section of which has made its contribution. From the very inception this plan has been non-political and non-sectional, and all parties in this house and the entire press have joined in making it a success. It is unique, I will say, as an instance of a great undertaking which hitherto has escaped political or sectional criticism.

At the very moment when the united nations are meeting here to discuss this great project of our united Canadian nation, we are in the midst of an internal crisis the gravity and seriousness of which I would and should be the last to minimize. When one has campaigned and marched and bivouacked and fought for twenty-five years with friends, it is a sad wrench indeed to be separated from them, even temporarily. Our own country is apparently torn asunder, not on the question of the war itself but on the methods to be employed by Canada in waging war. There is, I am glad to say, no difference of opinion with respect to the air war, either as to the raising of men or money or the spheres of action. I wonder if, during the time the representatives of all our allies are here, it would be possible to call a truce to our internal dissensions and show by a united front, temporary if you will, our determination to join with them in the defeat of the common enemy.

Mr. GRAY: We have listened to-day to a report of the progress of the air force under the Minister of National Defence for Air. At the close of his remarks he made an appeal for unity in this country. May I say to him as an old soldier, and speaking I believe for most of us in this chamber, that no matter where we march or where we bivouac we shall find that, under the Minister of National Defence for Air, we shall go forward in the great effort which he is making in furtherance of this project. To-day he has given us concrete evidence of what has been accomplished, beginning as it did in a very small way. To-day, as he has stated, we are on the eve of a conference of the united nations. Under his leadership this enterprise, so soundly based, the British commonwealth air training plan, is certain to develop rapidly and with increasing success.

I have only one or two remarks to add to what has already been said. I wish particularly to refer to the system of air cadet training, which has developed from one of the minister's own policies. Looking at it from the viewpoint of my own province and as I have observed it elsewhere, I feel that, once established by the department, it has been left rather in the position of an orphan. We have been loath to give these organizations the blessing of the department while we have been willing to say to them, "You go out and do it." If we are prepared to accept the air cadets in Canada, as I am sure we are from the minister's remarks and from what has been said; if we are prepared to have them established, then we should establish air cadets as part and parcel of the air scheme of the dominion. We should assist them and give them the support that is necessary and not put them on the basis of some service plan, as has been done. I believe that if the minister will look into the matter he will find that the air cadets proposal, supported by himself and promulgated

by his department, has not been given the support by the government that it should have received. If the air cadets are to be part and parcel of the air force, let us make them so. Do not let us have any half measures whereby we make them cadets for one purpose and not for another. The Minister of National Defence for Air will be the first to admit that they should be made part and parcel of the air force.

The other matter I have to urge is in connection with the air crew, to which the minister has referred. I have watched, as I have no doubt other members have watched, the graduation of air crews from various schools throughout the country. I am told that ninety schools have been established, and day after day we see men walking our streets, pilots, gunners, and observers and other members of the crews to whom the minister has referred. I want to make a plea as a man who served as an ordinary private soldier in the last war, and it is this, that these men who are worthy of wearing wings, whether they be pilots, observers, gunners or whatever they may be, should be commissioned in the air force and should not be put into the ranks as sergeant observers, sergeant pilots, or sergeant gunners, as the case may be. I urge that they be given equal rank and that they be not classed on the basis of 50 per cent of this particular class or that particular class. Those of us who have gone through schools will know that in one particular class there may be 90 per cent who may be worthy of a commission, whereas in some other class there may be only 40 per cent or 30 per cent. It is my opinion that so long as you leave it to the officers commanding the various schools there will be discrepancies that should not exist. If a man is capable of graduating from a school and worthy of his wings, whether he be pilot, observer or gunner, then he is worthy of being commissioned in his majesty's service. I urge upon the minister that this discrepancy be abolished, because I know it must have given him more than one headache. Take two buddies graduating from an air force school about to leave the country. They are on their last leave, arranging to meet at a certain port to go overseas, arranging to occupy the same quarters on the same transport. One receives word while he is at home that he has been commissioned, the other receives no such news and will go over as a sergeant pilot. You cannot expect absolute team-work under those conditions. I know the minister will agree with me that in this great service, the air force, the important thing is team-work, and you cannot get it unless you ensure that two men who are going forth in the same service shall be in the same rank if they are doing the same job. When they graduate from a particular school they should be on the same level. It is not fair or worthy that some commanding officer should be allowed to say to one, "You shall be a commissioned pilot", and to another "You shall be a sergeant pilot".

I urge that this question be given careful consideration at the forthcoming conference of the united nations—the United States, Canada, Great Britain and the other countries who will meet here. They will recognize the lead that Canada has given, and I hope that out of that conference there will emerge the principle of equality with regard to the men who graduate from our schools, whether they be pilots, gunners, observers, or whatever they may be. So long as they are worthy of going into the air and operating planes they should be put on an equality. We see men walking around the streets to-day and we know that this equality does not exist. This has been a source of trouble to the minister, I am sure; it has been one of the headaches from which he has suffered. I say to him that instead of cutting down 50 per cent, or 30 per cent or 20 per cent of the graduates of a class, every man who is worthy to wear the wings should be a commissioned officer in his majesty's services.

Mr. BENCE: There are one or two matters I should like to bring to the attention of the minister, and I want to ask some questions in connection with the statement that he has just made. Before I do so, however, may I congratulate him on the complete and at the same time the concise manner in which he has given us the information which he has put before us this afternoon. The minister painted a glowing picture of the commonwealth air training plan, and I am sure that all hon. members will agree with him that Canada is indeed proud of the contribution it is making in this regard. Certainly to most of us it is our greatest contribution. In any event, it is certainly the most romantic, one of the most interesting, and one which we in Canada are eminently fitted to make. The tragedy of our reverses in the war up to the present time has been unfortunately the result of lack of air strength or air superiority. Unquestionably if we had had that air superiority we would not have suffered the reverses we did in Crete, we would possibly be in command of the situation so far as the far east is concerned, and we would not be faced with the gigantic problem we have in connection with the shortage of rubber and matters of that kind, which I am sorry to say is crippling a part of our war effort.

In the course of his comments the minister made no reference, as he did last year, to the headaches that bothered him at that time. I presume that most of those difficulties have been solved.

Mr. POWER: No, I was expecting hon. members to tell me. I have new ones.

Mr. BENCE: Last year the minister referred to certain headaches, as he called them, in the plan, and out of this discussion and the questions that will be asked here, I have no doubt that we shall ascertain how many of these headaches are still there and how many have disappeared. In connection with the commonwealth air training plan itself the minister indicated last year, and I believe he corroborated it in his statement this afternoon, that the new plan had been pretty well completed and we are now in the process referred to last year as being "levelled off". If I am wrong in that regard he will correct me. May I ask him whether or not the $344,000,000 which has been appropriated for the joint commonwealth air training plan is the figure which he estimates will be required annually for the carrying on of this plan, or is there in that figure a sum which has been set aside for the purpose of extending the plan? Has he completed the whole picture with respect to establishments across the country?

Mr. POWER: Yes.

Mr. BENCE: I refer particularly to air training schools.

Mr. POWER: No new aerodromes, if I can help it. That is a headache.

Mr. BENCE: That was one of the first headaches I was going to refer to. My question is whether or not a part of that $344,000,000 is intended to be used for extension, whether the minister had in contemplation, as a result of the coming conference, any extension of the plan in Canada; whether he had in contemplation setting up any additional schools and aerodromes across the country. I know the minister, as he stated last year, has been greatly concerned over the pressure that has been brought to bear on him and on the department with respect to the establishment of such schools, and that sort of thing, and my thought was that if he did contemplate an extension as a result of this conference which begins next week; if he should decide to build more aerodromes and set up more service training schools and the like in Canada, he might very well state at the outset that matters of representations, and what we might call pressure, will receive not the slightest regard as far as the selection of these places is concerned. I feel sure the minister has paid very little attention to that sort of thing in the past; but if he should expand the plan I believe that by announcing in the first place that pressure of this kind would have no effect, he might head off this deluge of delegations, representations by boards of trade, members of parliament and that sort of thing, and thereby save himself and probably the country a very great headache.

During the course of his remarks the minister made some statements in connection with recruits and the number of men now being turned out by the air force. Among other things I think he said there were now some 115,000 men in the R.C.A.F. When the minister makes a further statement during this discussion I should like him to indicate, on the same basis that he indicated last year, the proportion of the men in training in Canada who are Canadians and the proportion who come from Australia, New Zealand and Great Britain. At the same time he might indicate, if he will, in greater detail what is being done in connection with this reserve that was set up last year. At that time the minister referred to the fact that there was a six months' reserve on hand. Again this year he has referred to the fact that there is a six months' reserve on hand. What is being done with these men? As I recall it, last year they were being enlisted two or three months ahead of time and being put on guard duty, and that sort of thing. But conditions must have been altered to some extent by the calling up of men under the National Resources Mobilization Act and by the pressure that is being exerted in connection with recruiting for the army. What steps are being taken by the department to ensure that the reserve, which the minister called a "precious" reserve, is maintained, to be called upon as soon as the training facilities are available?

There are so many questions to be asked in connection with the minister's department that I intend to mention only one or two now, hoping later on in the debate to be able to put specific and categorical questions to the minister. In connection with repairs and equipment, the minister stated that at present he had enough planes to meet the requirements. From this statement I presume that the deficit from which he suffered last year, particularly the shortage of twin-engine machines, of which the minister said last year he had only 46 per cent of what was required, has been made up. At the same

time I should like the minister to give us some indication, if he would, of how far his department has advanced toward the objective of 6,000 planes for training purposes, which he said would be required by 1943. At the time the minister spoke last year he said they had 2,400 machines on hand. Now, after a year's progress, and with the passing of half the period mentioned by the minister, I should like to know how many planes he has on hand for training purposes, and whether he anticipates that he will obtain the required number of 6,000 by 1943.

There is another point that seems to me most important. Last year the minister said the matter of repairs, replacements, spare parts and so on, was giving him a great deal of concern. He did not mention that matter this afternoon. In view of the fact that the United States, from whom we obtained a great many of these spares, is now in the war, has its own training plan, and is producing aeroplanes for its own use, has the situation been alleviated or made more difficult than before? If it has become more difficult, what safeguards does the minister anticipate putting into effect in order to make sure that accidents in training, for example, do not occur, and that the men who are training in Canada have the very best of equipment and the very safest facilities, in order that they may complete that training?

With further reference to the matter of recruiting, the minister mentioned that he had obtained a considerable number of men who had been called up; I think he referred to them as R recruits. I presume he meant men who, after they had been called up, in some way had been brought into the air force. Was that as a result of the air force or the army going to these men and inquiring whether or not they wanted to join the air force, or was it because after they were called up they indicated a desire to join the air force?

Mr. POWER: After they were called up.

Mr. BENCE: In that connection the minister mentioned last year that he was very much in favour of what he called "combing the mane to sharpen the tooth," I think borrowing an expression used by Mr. Churchill—in other words obtaining recruits from the active army. Is there any question of canvassing the active army, to determine whether or not there are men in it who are particularly qualified to become pilots, gunners, and so on, and who would be of more value to Canada's war effort if they were trained as such? In that connection I can understand that the minister might come in conflict with the Minister of National Defence, who naturally would not want to lose any men from the army. But I suggest that there are in the air force a great many men who enlisted for general duty. The minister mentioned that some of those men were being reclassified, but there must be a great many of them who are not qualified to become pilots or air crew, but who at the same time are physically fit and who could go on active service. I suggest to the minister that he might consider taking up with his colleague the Minister of National Defence the possibility of working out some system under which these general duty men could be transferred to the army, and men taken from the army who could be trained to become air crew. After all, I take it that maintaining a sufficient number of recruits for air crew is the most important part of the whole plan, because if you have not the men the plan becomes completely useless. I should think the minister could replace a great many of these general duty men—and I understand this is being done to a certain extent—with medically unfit men, ex-service men perhaps, and particularly with the new branch which has been set up, the women's branch of the air force. As I understand it, that was the original purpose in setting up this women's division, and perhaps the minister would give us some idea of the extent to which these women are replacing men in the air force and permitting them to be transferred to more active theatres of war.

I should like to offer a suggestion to the minister with regard to a matter which has been brought up on several occasions during the discussion of this war appropriation bill, with particular reference to the army and navy. It has to do with the question of the pay and allowances of men in the air force, particularly with respect to the fact that a distinction is made between the air force and the army in the case of men who are missing. So far as the air force is concerned, the dependents' allowance is cut off at the end of the month during which the man is reported missing, whereas in the army the pay and allowances are continued for a longer period of time. The other day the Minister of National Defence told us that in the army, pay and allowances are continued until the man is either presumed dead or it is definitely established that he is dead.

So far as the air force is concerned my information, which I have reason to believe is accurate, is that if a man is reported as missing in the middle of the month his pay is computed until the end of the month and sent to his wife. Thereafter however she is immediately put on straight pension, and her income is consequently immediately reduced to the $60 a month provided for the

wives of those up to and including the rank of flying officer. It seems to me that that is a discrimination which the minister should take in hand and remove. The wife of a man reported missing suffers a terrific shock, and she is at the same time faced with considerable financial difficulty, particularly if her income is immediately cut down. I have known it to be cut down by as much as $25 or $30 a month. I have known of children being born to wives of men overseas after their husbands were reported missing. The fact that their income is cut down during that time makes it very difficult for them to carry on and pay the cost involved in the birth of a child, as well as meet other obligations they may have entered into.

In view of the hardships thus being suffered by the wives of these men, I suggest that the minister consider this matter, and very soon, in order to rectify what I believe to be a discrimination. I am not the first hon. member to bring this matter before the committee. It has been raised on several occasions before. I commend it to the minister's most serious attention.

Mr. POWER: Perhaps I should answer at once the questions of the hon. members for Lambton West and Saskatoon City, so that these questions will not pile up.

First may I say that the air cadets are now to all intents and purposes part and parcel of the Royal Canadian Air Force. We have retained our connection with the air cadet league so that the league might function as a propaganda organization and, with the help of public-spirited citizens, arouse interest in the air cadets. To all intents and purposes we now supervise the work of the air cadet corps, because we consider it one of the most important fields for obtaining recruits in the future, particularly air crew recruits.

Mr. GRAY: Does the department finance it?

Mr. POWER: Yes—perhaps not entirely, but to a very considerable extent.

Mr. HANSON (York-Sunbury): And the training?

Mr. POWER: We are giving them training, too. As a matter of fact that has caused another headache. We are taking them to some of our schools and the question naturally arises whether we will give the boys rides in aeroplanes. Well, if we have 7,000 cadets, as I expect we will have this summer, it would take a good many flying hours to take them up one by one. I suggested to some of our pilots that we might take five or six at a time in big machines. But one of them said, "Would you like to have a lot of squalling brats crawling all over you in the machine?"—and I said no. As a matter of fact we would have difficulty obtaining permission from parents, and one thing and another; and I believe to take them up in aeroplanes would be too great a risk for us to take. However, all that is by the way.

Now with respect to commissions, I share the views of the hon. member for Lambton West. The situation is that when this air training scheme was inaugurated part of the plan was that 50 per cent of the pilots and observers should obtain commissions. The wireless air gunners were supposed only to become sergeants. It was also arranged that 33 per cent of these commissions were to be granted on graduation, in accordance with the marks attained by the pupil, as in any other school. The other 17 per cent were marked as recommended for promotion.

Well, these lads all went over. Many of them became attached to the Royal Air Force; some of them were in the middle east. We have many hundreds of our men in the middle east. As a matter of fact I have forgotten the figures, but we have a squadron of our own in the far east, and more than one in the middle east, in addition to many hundreds —perhaps thousands—who are connected with the Royal Air Force. The boy who is twenty-first on the list, the twenty preceding him having obtained commissions, may be away off somewhere in Syria. I am sure his commanding officer is not aware of the recommendations made by the commanding officer at Uplands, and I have always felt that that recommendation in many instances was of no value whatsoever. The records do follow the men, in theory; but I doubt if they do in practice.

We had a great deal of difficulty in getting commissions for the 17 per cent who were promised, as part of the plan. Commanding officers in fighter groups, fighter squadrons, bomber groups or bomber squadrons are not apt to worry very much whether Canada has obtained the full 50 per cent of commissions to which it was entitled under the plan. If an individual sergeant is serving in any part of the world his commanding officer may find him to be a good sergeant. But there may be other sergeants of the Royal Air Force who in the opinion of the commanding officer are more worthy of promotion. The officer is not particularly concerned whether Mr. Sergeant, Canadian, comes in under the 17 per cent which would bring the total up to 50 per cent. The result was that for many months we were not getting the quota to which we were

entitled. One of the objects of my visit to Great Britain last year was to insist that somehow or other we be brought up at least to that 50 per cent. It took a long time, but I am glad to say that since December some 350 to 400 of our graduate sergeants have obtained commissions, to bring us up to the 17 per cent. These are rough figures; if required I could put the exact figure on *Hansard*. However we are away off the total number we should have at the present time.

One of the matters I took up at that time, and which I hope to take up in the forthcoming conference, is the advisability and the absolute justice of making every member of air crew an officer. We are bound at the present time by our undertakings under the joint air training plan. Possibly treasury control in Great Britain has something to do with it, because, as is well known, Great Britain contributes the pay and allowances of the men attached to Royal Air Force squadrons, with the exception that we bring the pay up to the Canadian rate. That means an addition of about one-third more. That may have had something to do with the reluctance of the British treasury to do anything further at the time the plan was inaugurated.

I read in British *Hansard*—and I believe this appeared in the Winnipeg *Free Press*—an account of a bomber returning from a raid over Germany. The pilot of the machine was a sergeant while the observer was an officer. They had been together for eighteen to twenty hours and had gone through a veritable hell of flak fire. When they returned the man who brought the machine home walked into the sergeant's mess and the fellow that he had carried home went into the officer's mess. As one labour member in the British house put it, one walked into the players' and the other walked into the gentlemen's room. There is neither rhyme nor reason or common sense about that.

Mr. DOUGLAS (Weyburn): It is a hangover of a past age.

Mr. POWER: It may be a treasury matter, but so far as I am concerned it will not be a a treasury matter in Canada. It is one of the matters to be taken up at the forthcoming conference. May I say, in case I have given an unfavourable impression of the feeling of the high command in Great Britain, that I have spoken to some of the highest officers in the Royal Air Force and they are in entire agreement that every member of the air crew should be an officer. It might have been better if we had called them all ensigns or had adopted some kind of intermediate title indicating that they were not fully graduated as officers in the sense of having gone through an officers' course such as one has to undergo in the infantry or in the artillery. Except in certain instances, they are not taught to lead men. A man who is running his own machine, perhaps a single-seater fighter, may be the finest pilot in the world, but until he becomes a flight commander or squadron leader or wing commander he need not necessarily have the qualities of leadership which may be required in a man who leads, let us say, a platoon or a company of infantry. Nevertheless in a machine they all take the same risks. As the hon. member for Lambton West has pointed out, in many instances they left home as buddies, went through the same school, and because of a difference of one or two points, one has to be a gentleman and the other has to be a player. I can assure the committee that we will see that that is not done, if I can help it.

With respect to the many questions asked by the hon. member for Saskatoon City, I may say that of the $344,000,000 in the estimates, some will be required for the construction of additional accommodation. It seems to me that we are always building something or other. Even with the shift that we expect to make, the changing of certain areodromes and schools from one destination to another, this will be necessary. Certain elementary schools will disappear and be replaced by operational training schools. We are extending the scope of our training so that in many instances a man will be fully trained operationally on operational machines. Other schools will be doubled, and some will be tripled. But with all that, I do not visualize any extended programme of building or the establishment of new schools this year. It may be necessary to add two or three schools in order to balance the new set-up, but that I think will be mostly in the way of location of additional aerodromes this year. It must be understood that this refers only to the joint air training plan. We have located— one of the reasons for my recent trip to western Canada was this—a certain number of aerodromes on the Pacific coast and elsewhere in spots where they will be most useful for the defence of the coast. There will be new aerodrome construction on both east and west coasts for defence, but not for air training purposes.

Mr. HANSON (York-Sunbury): Is consideration being given to the abandonment of other plans? I have heard some statement that perhaps Pennfield Ridge will be abandoned.

Mr. POWER: Perhaps I am not supposed to say so, but that school was used for astral navigation. In that part of the world they

never seem to see the sun, so that we are using it for another purpose, one for which it is well fitted indeed. The climate there is somewhat similar to the climate in certain parts of the old country, and some of the work which has been carried on in the old country can be transferred to Pennfield Ridge.

Mr. HANSON (York-Sunbury): I was not thinking of its being abandoned, I was thinking that some change might be contemplated. I hope the committee will not take the minister's statement too literally, that we never see the sun in the county of Charlotte.

Mr. POWER: It was the stars I meant. The hon. member for Saskatoon City wanted to know what had become of our reserves. The reserve we have at the moment is probably not very large; I think about 1,000 men are on leave without pay to report at a certain date. We have a considerable number on what we call tarmac duty, which was formerly called guard duty, and on guard duty.

Mr. BENCE: Is that the extent of our reserve?

Mr. POWER: At the present time I would say that we probably have three or four months ahead of us. We also have a reserve of those who are undergoing youth training. I think I said there were 1,300 under youth training. Then we have those whose applications have been completed and others whose applications are incomplete. We anticipate no great difficulty in obtaining recruits, certainly for six months. Then based on last year's results a large number of boys will have matriculated from high school and will come in during the summer. Figuring on that, I think we are well away for the next year anyway.

With respect to the number of planes that we have, I believe I committed an indiscretion in stating the number which we should have for training. I am only too willing to renew it by saying we are so close to 6,000 now it is no fun. Spares will always be a problem. Only recently I was speaking to a friend of mine in the army who is closely connected with a munitions assignment in the United States. He tells me that there, as in Great Britain and as in Canada—perhaps it is better now—no matter what it is they wish to procure, whether it be tanks, trucks, guns or rifles, it is difficult to get the manufacturer to make spares. They all want to be able to say that they have turned out so many of such and such an article. I think our spare situation is easier than it was. We are still meeting with difficulties, but there is no chance of our being bogged down now as I felt there was over a year ago.

Mr. BENCE: Are they producing more in this country?

Mr. POWER: We are making more and more as time goes on. I was told a year ago that there were certain spares that could not possibly be made in this country. I was informed only a few days ago that they are being made, and made in reasonably large quantities.

With regard to our recruits from those in military camps who have been called up under the mobilization act, the Department of National Defence under an arrangement made a year or so ago, or at all events early in the war, permits us to recruit these men if they have not been with the army for more than two months. At the end of the two months the army says: You have had a chance to get these men for two months, and you have not taken them, so now let us carry on with them. After all, the army has been spending money on them, and it would not be fair for us to take them away from the army after that length of time. We have no arrangement at present for taking men out of the army in Canada because it does cost the army a lot of money to train the men and it would hardly be fair to allow a man whom the army has trained for six months in some trade to change his mind and come over to us. But we have made arrangements with the Canadian forces overseas to take from the army a certain number who wish to join the air force. Presumably they did not have the same opportunity of joining the air force in Canada early in the war, when it was almost impossible for many men to get into the air force. So that the men serving overseas with the army, if they so desire, have the opportunity of transferring to the air force.

With regard to pay and allowances of the missing, I was not in the house when my colleague the Minister of National Defence spoke of the different treatment between the army and the air force in regard to members of the forces who are missing, and I use the word "missing" advisedly because they must be declared missing. Furthermore, I do not know of anyone in the army who has been declared "missing" as yet.

Mr. HANSON (York-Sunbury): They have not yet got to that stage.

Mr. POWER: No. I will say this. The British government have the same system as we follow in the air force whereby almost immediately, or at least at the end of the current month, members of the forces who are missing are listed as missing even before they are listed as presumed dead. In our own case, in the air force, I have here a memoran-

dum from the dependents' allowance board which I took the trouble to get—the hon. member for Davenport had asked the question, which I looked up in *Hansard,* and the ruling of the dependents' allowance board applies to both the army and the air force. Their memorandum is as follows:

When a member of the Royal Canadian Air Force is reported as missing the following procedure is carried out in regard to his pay and dependents' allowance.

(1) Any assigned pay, or assigned pay and dependents' allowance which is in payment is continued to the end of the month in which the casualty is reported and then ceases as such.

(2) From the end of this month the dependents' allowance board immediately institutes a special temporary allowance to the dependent in an amount not greater than the amount to which the dependent would be entitled as pension if the man were reported as dead. This allowance continues until the fate of the man is definitely decided.

(3) If the man is reported alive, either as prisoner-of-war interned in a neutral country, or having returned to duty, service pay and dependents' allowance is reinstated retroactively over the period during which he was reported as missing.

(4) If the man is officially reported as dead pension ruling is immediately given by the pension commission. Arrangements are made so that the allowance paid by the dependents' allowance board ceases as soon as pension is in payment.

(5) Where assigned pay only, and no dependents' allowance is in payment it is considered prima facie evidence that the recipient of the assigned pay is not dependent on the man and the payment of the assigned pay therefore ceases at the end of the month in which the casualty is reported.

(6) Members of the Royal Canadian Air Force who are reported as casualties while serving with the Royal Air Force receive the same treatment, and at the same rates as if they were serving with their own force.

That is the situation with respect to the missing, and from my information I would say that it applies as well to the army as to the air force. The situation is this. Hardships may arise, depending on the amount of pay which the man assigns. Let us say that the wife of a pilot or sergeant receives a dependents' allowance of $40 a month—I do not know the exact figure, I think it is $35; but for the sake of illustration we will say $40—and that the pilot assigns $40 more to her. That makes a total of $80 a month. If he is posted as missing, at the end of the month his wife receives $60 a month, which is the maximum she would receive by way of pension, and of course she loses his assigned pay. So that there is a difference of $20 between the $60 a month she receives when he is missing and the $80 a month she was formerly receiving. The reason for that—I am speaking subject to the information I received from the dependents' allowance board—is that the board does not want to pile up against the man's wife, in case he should afterwards be declared dead, $20 or $30 or $40 more a month than she would be entitled to by way of pension.

Mr. BENCE: Not if the board would have to ask for it back.

Mr. POWER: But the crown would have no right to pay the salary and allowance of a man who was dead, to be quite frank about it. If a man were not posted as missing but was known to be dead, his dependent would go on pension and the presumption of death, I take it, would be retroactive. That would be my interpretation of the regulations after many years of playing around with pension law and regulations in that regard. I know that that is done by the dependents' allowance board, and I would think it the logical if not the sympathetic way of interpreting the regulations. I know it may strike the members of the committee as not being the right thing to do, but I do not know what else could be done unless the house were to vote a certain sum of money to be allocated to dependents of the missing until such time as they were presumed dead.

Mr. CRUICKSHANK: Paragraph 5 of the memorandum which the minister has just read deals with the cutting off of assigned pay when a man is reported as missing. I have in mind a specific case of that kind. What is the mother to live on until some adjustment is made?

Mr. POWER: It is assumed, I take it, that if the man has not arranged for his mother to receive a dependents' allowance she is not a dependent, and if he does not ask that she shall receive a dependents' allowance the question naturally arises: Should the state do so?

Mr. CRUICKSHANK: In the particular case I have in mind the man was assigning $50 a month to his mother. He was reported missing on the seventeenth of the month. She received no assigned pay for that month, none for the previous month, and none of his regular pay, and she had nothing to go on with. The man had been assigning $50 a month to his mother, who is a widow, and it should be assumed by the board that he is her support, since his pay, including his assigned pay, was being sent to her.

Mr. POWER: I am under the impression that in order to establish dependency a man must at least advise the board that his mother is dependent upon him.

Mr. HANSON (York-Sunbury): He has to apply on her behalf.

Mr. POWER: Yes. I get $20 a month assigned pay from my boy in the Royal Air Force. If I am not mistaken, they are allowed only to send a certain amount of money, and perhaps they send it to their parents in order that their parents can return it to them in pounds. The fact of assignment would not necessarily mean dependency on the part of the parent. If I am not mistaken, a great many young fellows in the air force draw only Royal Air Force rates of pay in England; the pilot's Canadian rate of pay is deferred, and they get the Canadian rate of pay forwarded to their parents and the parents send it back.

Mr. BENCE: But that, as I understand it, is not permitted unless it is established that the mother is a dependent. As a matter of fact cases have been referred to the Minister of National Defence in which there was a refusal to allow a release of the money because it was not established that the mother was dependent. Investigations are constantly being made by various associations which are affiliated with the dependents' allowance board to determine whether the mother is dependent and should get this assigned pay.

Mr. POWER: I do not think that in our service there is any rule against anybody assigning pay to a relative; I do not know about assigning it to an outsider. If you do not want to attach dependency to it, that is no crime. Perhaps the army rules differ in that respect from ours, because I gather that in the army there is a deferment of pay, that they do not permit the man to receive immediately the entire amount on his arrival here from the other side. So far as we are concerned, when a man comes back from the other side, if he has a credit coming to him he has not much trouble in getting his deferred pay if he wants it; we do not keep it until after the war.

Mr. ROSS (Souris): Would the dependents' board acknowledge a power of attorney? I know of a case similar to that mentioned by the hon. member for Fraser Valley. Two boys in the air force assigned portions of their pay to parents who needed the money, but never applied for any other assistance. There was a third boy who has, I believe, become a prisoner of war in Java. A power of attorney was given because the father had had a partial stroke and the lad thought that something more serious might happen to him. The board however refuses to allow the father to cash the cheque under his power of attorney. They are very independent people, but there is a real need, and it is creating hardship.

Mr. POWER: I hope I shall not be brought into a discussion concerning the dependents' allowance board, which is not my baby, but so far as it relates to the air force, once a man has established dependency I believe the right is admitted. Perhaps conditions are freer and easier in the air force than in the army.

Mr. McIVOR: I congratulate the minister on the sketch he has given us of the work of his department. He assured us that he is a real pilot, that he knows his chart, and that he goes places from which he expects to come back.

There are one or two things I should like to suggest. First, there is the matter of entertainment. Any group of men who are under great strain need to have a bit of good clean fun. I noticed a trainer who had been for a ride, because the recruit was the one who was doing the flying; he came back from about six hours in the air and sat down and just looked at space. These men need the best kind of entertainment so that their vision will be clear and their nerves steady and in such shape that they can stomach anything they may encounter. Therefore I compliment the minister on the splendid entertainment which he has given not only to the air force but to all Canada in sponsoring hockey, here in Ottawa and all over the dominion. Any hockey team which can defeat a team from the head of the lakes, whether Fort William or Port Arthur, must know its stuff. We believe that we at the head of the lakes have the best amateur team in Canada. Instead of being criticized the minister should be commended for taking young men who were formerly professionals and putting them in line again to show the young fellows how to play the game. It is true that they met their match when they ran up against the Bearcats of Port Arthur. This provides entertainment of the right kind, because the boy who is a good athlete and keeps his body and mind in right shape will make a great aviator.

Another thing. There are 422,000 in the volunteer forces of Canada, and if it takes fifteen men to keep one man equipped, it is gong to take about 6,300,000 persons outside of the forces busy to keep those men at the front equipped. Therefore I would ask the minister if he expects to displace a great many men, who are working in the air force,

by young women. They will not have the same risk as the fighting men, and it would free men in the force for other work.

I do not suppose there is one man in this chamber who does not wish to heaven he were on the young side of thirty so that he could take a course as an air pilot. I know that I would like it immensely. Of course some of us will have to go up in the air in other ways. But no one can overestimate the tremendous risks which these young fighters incur. I have been informed by men who have been overseas that a large percentage of those who make the first thirty trips over to Germany do not come back, and less than 11 per cent of those who make the second thirty trips come back. When you think that 89 per cent of those young men will not return, you realize that it is the duty of Canada to uphold in every way possible the hands of the men who are taking to the air and fighting for us. We must see that they are properly equipped in every possible way. I am sure also that the minister will see to it that they have the opportunity of plenty of entertainment and fun and those things which they need to help them to live through their times of quiet.

Mr. FRASER (Peterborough West): Further in regard to missing pilots, may I refer to a letter from a lady in Peterborough. She states that her son was in the air force stationed at Gander, Newfoundland, and continues:

> Last December 29, 1941, I had a telegram telling me that my dear son was missing. That was December 29 last. I received his allowance on December 30 and have received nothing since. On February 6 I wrote to the officer commanding about his personal belongings, and I happened to mention about the allowance being stopped. I will have to wait six months before Ottawa declares my son dead. They are not sure of his death yet, but they have stopped my allowance.

I understand that if the man had been a prisoner of war the allowance would have kept on, but owing to the fact that he is missing it has stopped. Here is a woman whose husband is seventy. Her son was giving her $20 a month before he left and now that is stopped and they have nothing to live on.

Mr. POWER: Assigned pay or allowance?

Mr. FRASER (Peterborough West): Assigned pay.

Mr. POWER: Not dependents' allowance?

Mr. FRASER (Peterborough West): No, assigned pay. These people are absolutely in want.

[Mr. McIvor.]

Mr. POWER: I have no idea why he did not make an assignment, why he did not arrange to establish dependency on her part.

Mr. FRASER (Peterborough West): I have a letter from her in which she says that she does not think the boy knew how to do it or understood it.

Mr. POWER: That would be a case to put before the dependents' allowance board itself. If my hon. friend will send me the letter I shall be glad to see that some of the officers of the department make a claim on the dependents' allowance board and get the law and the prophets on it, whatever it may be.

Mr. MACDONALD (Brantford City): I join with other members who have commended the minister for the splendid and concise statement he has given the committee. It is indeed in keeping with the two statements already given by the other ministers of national defence who preceded him. Now we have a perfectly clear picture of the defence departments of Canada. Personally I should like to do away with the word "defence". We must have more of the fighting spirit if we are going to win the war. Staying back in Canada and hoping to win the war by merely defending Canada will never bring success to our arms. We must go out and meet the enemy and fight him wherever he can be found. Therefore I would prefer that instead of designating these ministers as ministers of national defence we call them "ministers of war".

I join with the hon. member for Lambton West (Mr. Gray) in the suggestion regarding commissions for all men who are part of the air crew. I was very happy indeed to hear the Minister of National Defence for Air say that he also was in sympathy with this suggestion. It is quite natural that he should agree with it; for hon. members will recall that he himself enlisted in the last war as a private and went through the ranks, finally becoming an officer. He does not believe in keeping commissions for the favoured few, and I do hope that the day will soon come when all members of the air crew will be commissioned officers.

There is one class which I hope will receive commissions fairly soon. I refer to the young men who are now in Britain who fly night after night over Germany. In Britain there are officers flying aircraft over Germany and there are also sergeant pilots, sergeant observers and sergeant air gunners. These men risk their lives every time they fly over Germany, and any man who is gallant and courageous enough to fly over that country should be a com-

missioned officer and should be entitled to the very best that this or any other nation can give him. Therefore I suggest that one of the first things the minister should try to do should be to forget the rank with which these men graduated from the air schools in Canada, whether they came first or last, because they are now in England flying over Germany and they should take second place to none; they should all be commissioned officers.

These men who fly over Germany are entitled to the best that can be given them in Britain. It was my privilege last fall to visit Britain. It was my privilege with five other members of the house to visit certain stations from which men fly over Germany. I recall visiting one of these commands one morning about nine o'clock. Two nights before the men from that command had flown over Germany. Did we find them living in comfort, men who had come back after risking their lives? I do not want to paint a picture of hardship as applying to the conditions under which they live, but I do not believe they are living in the comfort in which they should live after making such hazardous trips. An hon. member who preceded me referred to hockey teams in Canada. I would say without hesitation that the men who play on a hockey team live more or less like kings compared to the men who fly by night over Germany. I do not think that is right. The men who man the aeroplanes should get the very best treatment, the treatment that is given any athlete. They should be treated as our hockey players or baseball players or other athletes are. What do we find however? I recall that visit. It was a rainy morning, dull and cold. We entered a so-called sergeant's hut, not at all comfortably furnished, and there we saw three men huddled around a stove in one corner of the hut with blankets wrapped around them, trying to keep themselves warm. The other members with me on that occasion will recall our comments. We said, "These men are entitled to something better than this." I believe they are entitled to something better than that and I trust that something better can be given them. I trust that the best that can be provided will be theirs.

There is one other matter to which I would refer, namely, the airfields which we have in Canada. We are very happy indeed to have in the neighbourhood of the city of Brantford two airports, and I can only speak in the highest terms of the personnel of those schools. The commanding officers, the officers, the instructors and the young pilots and the ground crew have all established for themselves a place in the hearts of the people of Brantford city and we are indeed happy to have them in our midst. The air schools are both beyond the limits of the city of Brantford. Let me refer first to No. 4 wireless school in the township of Brantford. As I said, we are glad to have these schools in our midst, but I would point out to the minister that the land on which they are located is exempt from taxation. No. 4 wireless school is in the township of Brantford in school section No. 7. The total number of acres exempt is 374. The total assessment of that school section is $289,900, while the assessment for the land and buildings of the school, which are exempt, is $17,300, or approximately 7 per cent of the total. The tax rate in that section is 2·9 mills, and there is no outstanding debt. The amount lost in taxes is $401.07, or 7 per cent of the total amount of taxes.

Then the Burford airport, which is also in the township of Brantford and which is known as No. 5 service flying training school, comprises 582 acres, all in school section No. 9. The total assessment of that school section is $340,795; the assessment of the lands and buildings of the school, which are exempt, is $28,400, or approximately 8 per cent. The amount of taxes lost on that airport is $787.65. So that the total amount of taxes lost to the township of Brantford by virtue of these airports is $1,118.72. That does not seem a large amount of money, but in these two school sections it is a fair proportion of the total, amounting to 7 per cent in one case and 8 per cent in the other. Someone has asked what the school sections get out of it. They get very little out of it in dollars. As I said before, they are happy to have these airports located there, but after all an airport does not bring only happiness to a district. It is not a pleasant thing for those in the vicinity of these airports to have aeroplanes flying a few hundred feet over their buildings all day and almost all night.

Mr. POTTIER: Better than bombing.

Mr. MACDONALD (Brantford City): Much better than bombing, and they are very glad to have those airports; let me make myself clear on that. The people in those districts welcome the airports, but I still say it is not the most comfortable thing for those living in the immediate vicinity of these airports to have aeroplanes flying over their houses and buildings all day long, whether they are awake or asleep. As we all know, when these aeroplanes land, they come very close to these buildings. I see some hon. members smiling and laughing, but I ask those hon. members how they would like to sleep in a building adjoining an airport and have aeroplanes flying only a few hundred feet

over their heads day in and day out. And more than that, it is not altogether a pleasant sensation to have the beacon lights flashing in your windows every few seconds all night long, every night of the week. The people are not complaining about having these airports in their districts, but there are two sides to the story. We sit here in comfort. We do not have the aeroplanes, flying over our heads while we are in this building; the lights are not flickering all night long, and we must be fair with the people who live in these districts. I think, as I have said already, that we should express our deep appreciation of the way they have welcomed these airports, in spite of the discomfort that has resulted.

The point I should like to make is that something should be done in regard to the payment of taxes to the townships in which the one hundred airports in Canada are located. It would not amount to very much money for the government to pay, but every person living in these districts pays taxes; why should not the dominion government also pay taxes on these airport properties? I ask the minister to consider the suggestion. I ask him to consider whether it would not be fair for the dominion government to pay taxes, just as taxes must be paid by any person who happens to live in the township.

Mr. CRUICKSHANK: I should like to offer a solution to the minister in this connection. In my riding I have no war industries, and I suppose they have two or three hundred industries in Brantford. If it hurts their feelings to have aeroplanes flying overhead, and if they are too tired to pull down the blinds to keep out the light, you can put all the airports you like in my riding, and we will not care about the $1,188 in taxes.

Mr. MacNICOL: First I want to thank the minister for having answered a question which I asked some days ago. I believe at the time he was away on some other business, but the fact that he answered my question is just another indication of his meticulous attention to duty.

With the others who have spoken I honour these wonderful young men of the air force, many of whom, including the sons of my three immediate neighbours, have come from my riding. Certainly they have held high the honour of Canada, as the minister has said, on every field of battle throughout the world. I only wish we could double, treble or quadruple our efforts. I am not finding fault with what has been done. I think we have done splendidly; but if we could greatly extend our facilities for training these wonderful young Canadian aviators I am sure they would help bring the war to a conclusion in a much shorter time.

[Mr. Macdonald (Brantford City).]

Two years ago, and again last year, when this subject was before the house, I said that aeroplanes would either win or lose the war. When we have such wonderful young men in Canada, and when we have plants producing areoplanes, I do not see why we cannot greatly increase our facilities both for training aviators and for making aeroplanes. Only to-day the latest reports indicate that three British destroyers have been sunk in the Mediterranean by axis areoplanes. If we had an abundance, a superabundance, of aeroplanes not only in the Mediterranean but in every other field of battle, our destroyers would not be sunk, nor would the *Repulse* and *Prince of Wales* have been lost off Malaya. Both those battleships were sunk because of the lack of air protection. And even more recent than the sinking of the battleships we had the loss of two cruisers, at least one of which had a very distinguished record, having taken part in the sinking of the *Graf Spee* or the *Bismarck*. Both these cruisers were sunk through lack of air protection. I am wondering, with all the minister's ability and energy, if he could do more than he has done. Perhaps no one else could have done as much, but it is possible that he could do more to train more aviators here, and also order more planes.

Mr. POWER: I am sorry to say we have so far fulfilled our contract that they do not want any more at the present time.

Mr. MacNICOL: Well, that passes all comprehension.

Mr. POWER: It is not my business.

Mr. MacNICOL: Whether anybody wants them or not, they should be built. If the British do not want more planes and more aviators, I would feel that some one wants to lose the war, and I cannot conceive that they want to lose the war. I am convinced that they want to win the war, although sometimes it looks as if somebody in behind is blocking the winning of the war—but not intentionally; rather it is through something they do not have in their hearts or heads. However, that does not affect the minister.

Mr. POWER: No; they got all the pilots they could hold, for the moment.

Mr. MacNICOL: Let us consider a case in point. Last year the aeroplane factory in the constituency of Fort William, the representative of which spoke a few moments ago, ceased making bombers. That factory was building hurricane bombers. I believe they were turning out about a hundred a month.

They may have been turning those planes out for an English order; I do not know. However, for lack of orders they shut down on bombers, and remained shut down for six or seven months. This means that aeroplane facilities, for both defence and attack, for Great Britain and her allies, are short by six hundred or seven hundred bombers they should have had—and could have had. Those bombers could have been made in Fort William. The plant has now started again producing at the rate of a hundred a month. We are not responsible, of course. I believe that the planes manufactured there were sent to Great Britain. But could we not have taken any extra planes they could supply? Could we not have put them in stock? Could we not have sent them out to the east?

Only recently we have learned that after displaying wonderful valour our troops retreated through Malaya. They retreated three or four hundred miles. We learned that they had to retreat because they had not sufficient air protection. Then, when they retreated out of Malaya into Burma, the same story was told us in the press. We are told now that they have retreated a distance of three or four hundred miles north, up along the Irrawaddy river. What is the reason given? They have not sufficient aeroplane protection.

Somebody is responsible for the fact that British troops everywhere have not sufficient aeroplane protection. If Canada can produce aeroplanes—and we certainly produced the pilots and the air crew—then we should produce them.

Our young men are thrilled with the story of Bishop and those other Canadians who distinguished themselves so much in the last war, and who so brilliantly electrified Europe with their ability to shoot down our enemies. Canadians could do it again. Why, then, can we not give them the planes—thousands of planes, and air crew in thousands and thousands, so that our brave sailors on the seas will not have their ships sunk from under them through lack of aeroplane protection, and our brave troops on land will not have to retreat because of lack of aeroplane protection.

I am convinced that if the minister were given a carte blanche order to turn out another ten thousand aviators, no matter what the cost, he would do so. I have every confidence in his ability and in the organization of his department to build more training fields, and to turn out any number of aviators required. Then, since we are not to blame, who is to blame for the fact that everywhere we have not the aeroplane protection we should have?

Something was said a short time ago about repair parts for aeroplanes. Perhaps there is a reason for the shortage along that line. That is not in the minister's department, and I would not criticize the Minister of Munitions and Supply (Mr. Howe) because he, too, has done a splendid job. But somebody, somewhere, is to blame for the whole aeroplane industry not having been producing more. The men at the head of it are big enough to organize it. I know many of them. I have the background of what is behind the fact that they have not been turning out more planes, so I will not criticize anybody. But the fact is that they could do infinitely more. Why, Canadian plants did not get into really high speed until after Japan came into the war. Between the time of the outbreak of war and the fall of France our aeroplane companies were running, I presume, at about 20 per cent capacity, and between the fall of France and the advent of Japan in the war they were turning out not more than 75 per cent, at the outside.

So I should hope that through the minister's energy and ability something will come about whereby Canada will produce thousands more planes and thousands more crews to man those planes. If that happens, the war will end just that much more quickly.

I should like to thank the minister for a reply he gave me yesterday in writing. I had received a long wire from Drumheller, a place I visited last summer. It is a very beautiful town in Alberta, in fact one of the most beautiful I have been in. It is a town to which I would recommend anyone who travels to the west to visit. In that vicinity are great resources of coal. The wire intimated that if the government intended extending the building of fields in the west, Drumheller might be considered. In that vicinity they produce about a million and a half tons of coal a year. I am happy to say that a large proportion of that coal comes to Ontario, and I hope much more of it will come here. In the production of that coal there is a great deal of slack. While out there I learned with keen interest how cheaply they can produce power from their slack coal. Therefore, if the minister in future extends air facilities in the west, I would submit he should consider the vicinity of Drumheller as a place where he could have an air field. The cheap light and power would be one inducement, I should think, and the vast abundance of coal in the vicinity would be another.

Mr. POWER: Will I send the hon. member for Brantford City to Drumheller to explain the disadvantages?

Mr. MacNICOL: My suggestion is a fair one, since the hon. member for Brantford City is not altogether too pleased with all that is happening in Brant county. If you do happen to move them out of the county of Brant, you might put one or two in the county of York. We have quite a number, but we could take one more. Then you could send some of the surplus ones out to Drumheller.

Mr. MACDONALD (Brantford City): I stated that the county of Brant was very happy to have these air ports in its midst.

Mr. MacNICOL: I know it is. I know the county of Brant pretty well.

I happened to come across a number of complaints yesterday. It may be that they are not worth while talking about, but if they are real complaints I know the minister will take steps to clean them up. A father told me a few days ago about his boy, who had enlisted in the air force. At two camps, and perhaps a third one, the boy had been acting as guard, and had been doing scrubbing, and work of that kind. This boy graduated as a senior matriculant. Perhaps in passing I might mention that he is an only son, although I realize, of course, that that point has no particular bearing. I have known this boy quite well, and in my opinion he is a bright young man. The father came to see me and pointed out his distress at the fact that after being in the Royal Canadian Air Force that length of time the boy had not been posted to anything other than scrubbing or guard duty. Of course, that may be part of the training; I do not know. If it is, then all right. But if there is such a surplus of young men around air training camps, there should not be. Certainly there should not be a surplus so great that they have to be put at scrubbing, cleaning and guard duty. They should be thoroughly trained and trained as quickly as posible so that they can get into the work for which they have joined the army.

I should like to know how men in the Royal Canadian Air Force are posted to the Royal Air Force. I have in mind a young man who recently went overseas as an aviator —perhaps this is the case to which the minister referred a short time ago—and was in England only a short time when he was sent to the Royal Air Force in Gibraltar. The next day he was in Malta and the next day he was shot down. The question is whether or not he was thoroughly trained to go on a bombing expedition of that kind. Are our men trained sufficiently in Canada so that when they reach England they can go immediately on bombing expeditions? Do we plan to train our men in Canada to the same extent as our cousins to the south do? When their men leave the United States they are evidently trained 100 per cent and can go into action immediately, as they demonstrated with such daring over the Coral sea during the last few days.

I have just one further point to raise. A few days ago the picture of a hockey coach appeared in our papers. I shall not give the name of this man, but he had been quite active in sports, about which I know very little. It may have been thought desirable that such men should be kept physically fit, but the fact is that when he was sent to the air training camp he was posted immediately to the administrative department. The father of a boy in the same camp wrote me a letter inquiring why his son who had been there for a long time and had applied on various occasions for a promotion to some administrative post could not get that promotion whereas this coach was immediately placed in an apparently preferred position. I wonder if every one who joins the air force is treated exactly the same? I hope later on, when the Minister of Munitions and Supply is before us, to try to work out some way so that the minister may have ten planes for every one he has now? I heard him say in the course of his remarks that he has more men trained for the air than there are planes in which to put them.

Mr. POWER: On the other side.

Mr. MacNICOL: In Great Britain, but not here. That bears out a remark I heard when I was in an aeroplane plant a short time ago. They told me that they had more planes here than we had men to man them.

Mr. POWER: I did not say that. I said that our output has been more than sufficient to meet all the requirements we undertook to meet on the other side, so much so that there is a surplus. That is where we want our men.

Mr. MacNICOL: A conference is to take place later on this month between the heads of the air forces of the allies. I should like to see some arrangement made whereby they can collectively produce planes more rapidly and in greater numbers than is being done to-day, and at the same time train crews for those planes so that in the not long distant future the skies above Germany will be black with British planes and the skies above Russia

will also be black with British planes supporting our ally. Throughout the world, in Libya, in the Mediterranean, in Bengal, in the Coral sea, in Australia and elsewhere we must have clouds of planes in the skies to act against the enemy and to support our ships and our men on land.

Mr. CASTLEDEN: This is the third arm of Canada's defence service which has presented its report, and I think it is only right that a tribute should be paid to the men who yesterday sat in our high schools and played on our ball fields but who are to-day flying the fortresses and combat planes in the skies wherever the allied forces are meeting the enemy. Canada's achievements in connection with each one of her armed forces are the object of pride to the Canadian people. I think Canada is particularly proud of her air force. One feature of the air force which warrants considerable tribute is the fact that it has been able to adapt itself to rapidly changing technique. Anyone following developments realizes that as bombing tactics are changed, as the effects from bombing are found out from bitter experience, as the form of fighting changes, rapid changes must be made in training, in the arming of aeroplanes and in the construction of aeroplanes. I think the Canadian air force and the Department of National Defence for Air deserve a tribute for what has been done in this connection.

It must have been satisfying to all of us to hear the minister state that we are now sending men to Britain in numbers sufficient to equal any demand that she may make. Almost every hon. member knows scores of lads of yesterday who are now fighting, or who have paid the supreme sacrifice. It was also with considerable satisfaction that we learned from the minister that he has plans for expanding the air training scheme and that the expenditures for this arm of the service are to be expanded this year.

When the records are tabled covering the number of flying hours put in, I think it will be found that the western provinces have proved to be particularly suitable for elementary training. This is due to the clear skies and the type of terrain which are to be found in that part of the country. It is hoped that the airfields in the west will be expanded in order to meet any further commitments. The record of the commonwealth air training scheme is one of which we can feel justly proud. One thing that mars it in my opinion is the fact that there appear to be almost limitless expenditures in order to get the job done. At times it seems to me that there is a wasteful procedure in connection with certain phases. When the minister was making his statement last year he told us that they had had to pay rather high prices for materials and services because they wanted aerodromes and other services constructed with the greatest possible speed.

I had a return brought down in the house a short time ago, and I was rather sorry to learn from it that there is no departmental repair depot for engines in Quebec, that some private concern was doing this repair work for Quebec and parts of Ontario. It is to be hoped that private enterprise is not to enter to too great an extent into the services in connection with our armed forces. I was pleased to hear the minister state this afternoon that they are going to take away the elementary training schools from private companies.

Mr. POWER: Pardon me, I never said that. I did not mention them at all, but if I were to say anything, I would say we are going to enlarge.

Mr. CASTLEDEN: I am sorry if I was wrong, but I understood the minister to say that he was going to reduce the number of the elementary training schools.

Mr. POWER: On the contrary, if I had the opportunity I would enlarge the scope of private enterprise in the elementary schools. I can prove by figures that it pays us much better.

Mr. CASTLEDEN: Is it not true that it was recommended in a recent report that the net profits from flying hours be reduced?

Mr. POWER: Oh, yes.

Mr. CASTLEDEN: And that too much profit has been made by the elementary training schools?

Mr. POWER: They turn the profits back.

Mr. CASTLEDEN: And the minister would extend these schools, probably to give larger profits. That would probably be the policy of the minister.

Mr. POWER: I do not think it is fair to say that. I do not know of one elementary school that actually takes any profit. I think I could show by comparative figures, if the committee would permit me, that the comparison is all in favour of elementary schools under civilian auspices compared with elementary schools operated by the Royal Air Force.

Mr. CASTLEDEN: Is that the Royal Air Force of Canada?

Mr. POWER: Yes.

Mr. CASTLEDEN: I hope that the minister will place those figures on the record so that they will be available to all.

With regard to training air crew, I am sure that it has been of inestimable value to have a large staff of British officers come over to Canada to assist in the setting up of the plan, but I hope that as soon as possible the minister will take advantage of the opportunity to replace them by trained Canadians who have had experience in actual combat, and in control work, in administration, in training and instruction in the old country and in various theatres of war. The minister stated this afternoon that he thought the treasury board had probably as much to do with it as anybody that he was restrained from carrying out the policy of granting commissions practically to everyone who was trained in Canada to fly.

Mr. POWER: Not our treasury board, but the British treasury board.

Mr. CASTLEDEN: I am referring to the British treasury board, and I should like to have a statement from the minister showing to what extent the British treasury board does exercise control over here, over the policy of his department and administration, and the precise nature of that control.

Mr. POWER: They do not exercise control over my department. They pay these pilots when they get overseas, and they do not want to pay out officer's pay when they can get a man as a sergeant. These men are handed over to the Royal Air Force when they get over there.

Mr. CASTLEDEN: But the minister said that in his opinion every member of an air crew should have a commission.

Mr. POWER: Certainly.

Mr. CASTLEDEN: Would the minister's department not be able to grant the commission and make up the difference in pay?

Mr. POWER: Not under the agreement made in 1939, whereby only 50 per cent could be granted commissions. That agreement was made between the four partners in the deal. I had nothing to do with that.

Mr. CASTLEDEN: Those were the details I wanted. I wanted to know to what extent the minister was prevented from carrying out policies that he thought would be advantageous.

Mr. POWER: Read the agreement.

Mr. CASTLEDEN: I hope the minister will inform the committee in complete detail of the arrangements which are made at the forthcoming air conference in Ottawa. We should have access to information as to how the money which we spend will be distributed over the various branches of the whole scheme, and know what control we have over these expenditures. I hope that without saying anything that might prejudice the success of the conference the minister will present to the committee complete details of the arrangements that may be reached. The men who are manning these aeroplanes in every theatre of war are giving everything they have. They look forward to no profit and no gain, and one cannot help feeling that it would be a shame to blot the record of the Canadian departments of war or any phase of Canada's war effort with any evidence of corruption or profit-making. When Canadian companies or individual persons in aeroplane production, in air-training or in any other phase of our war effort, are following the fine example of these men who are to-day dying for us in the army, in the navy and in the air force, then we can truly say that we are winning this war gloriously.

Mr. DIEFENBAKER: The Minister of National Defence for Air is one minister who invariably commands the attention of the house and of the committee because when he refers to what is being done in the air he invariably says "Canada" is doing this or that, for which "Canada" should be proud, instead of referring to the great efforts that have been made as if they were a party or partisan affair. As I listened to his magnificent peroration this afternoon, to his outline of activities of his department and to his plea to the members of this house for an armistice on political partisanship during the period in which the united nations air conference is to meet in Ottawa, it seemed to me that the arguments he advanced in that behalf were equally applicable to times when the air conference is not meeting, and they constituted a very fine commendation of the necessity for a national effort in Canada to-day by a government divorced from political or partisan considerations whose one aim would be victory on behalf of the empire.

There are two or three matters I would bring to the minister's attention. He very frankly agreed with the contention of the hon. member for Lambton West that airmen who have won their wings in the air force should receive commissions. I think that would do very much toward improving the attitude of the men serving to-day in the air force. A few days ago en route to Ottawa I talked with a number of Australians. They have the same system, of course, under the British commonwealth scheme that we have. They mentioned an instance such as was portrayed in the house this afternoon, of the return of our men after flying over Germany, and then the sergeants going to their mess and the officers to theirs. They said that a new scheme had

been adopted in the Royal Australian Air Force in the east whereby, instead of having an officers' mess and a non-commissioned officers' mess, officers and men met together in what is known as an air crew mess. I think the adoption here of such a scheme would do much to improve morale. It is hard sometimes to see young men, friends through collegiate, friends through university, taking their courses as airmen to be together, followed on graduation by separation, some becoming officers and others non-commissioned officers.

When officers take to the air they get, I understand, $2 a day flying pay, whereas non-commissioned officers who take to the air receive only $1. Is there any reason why officers and non-commissioned officers over Germany or anywhere else, doing identical work, should receive any difference in compensation as flying pay? I suggest that if it is impossible under the British commonwealth scheme to make all the crews who have earned their wings commissioned officers, at least the discrimination, if I may call it such, as far as flying pay is concerned, should be done away with.

There is one other matter to which I should like to refer. The hon. member for Yorkton spoke of elementary training schools, to which the minister replied, and rightly, that there is no profit other than 5 per cent paid to those who contribute as shareholders to the establishment of elementary flying training schools. But that is not the position of affairs in air observer schools, which are set up, managed, and operated in various parts of Canada by civilian companies. The elementary schools, with I believe three exceptions, are sponsored by flying clubs. The distribution of profits earned in the operation of elementary flying training schools is that, after 5 per cent is paid to the shareholders—generally members of flying clubs—the remainder is set aside in a common fund and at the conclusion of the contract or of the war will be turned over to the flying clubs setting up the respective schools. That is not so in the case of the air observer schools.

Under the contracts which were made between the government and the air observer schools there was provision for a profit of $1 per flying hour. Recommendations were made by the committee on national war expenditures for a reduction of that profit to 35 cents. Would the minister explain whether when, I believe on April 1 of this year, new contracts were drawn with the air observer schools, an alteration was made in the provision relating to profit as far as profit per flying hour is concerned.

There are at the present time—I speak subject to correction—about ten air observer schools in Canada. These schools, set up and constituted for the purpose of training observers and air crew, are owned by private corporations, and there are no controls on the profits which the private companies operating these schools may earn. The position is that they receive a very large amount per month as management fees, and in addition, at the conclusion of the contract they receive 25 per cent of the saving upon maintenance provided for in the target price as set by the department. Be it also noted that these air observer schools are situate in the most strategic parts of Canada. When this war is over there will necessarily be a tremendous expansion of civilian air transportation. It is of great significance to know in whose control these air observer schools are. To-day, if I understand aright, none of them is owned by the Canadian National Railways, but several are owned by the Canadian Pacific railway or its subsidiaries—

Mr. POWER: Six.

Mr. DIEFENBAKER: —and I think it is only fair that, if a system of private ownership is to continue, some of these should be turned over to the Canadian National Railways, or that railway should be given an opportunity to operate them, so that when the war is over, control of civil aviation will not be exclusively in the hands of one corporation. I have no criticism to offer of the operation of these six schools by the Canadian Pacific railway, but there should be provision made now that when hostilities end, the entire control and maintenance of civil aviation in Canada should not be vested in one transportation corporation. I wish now to ask a series of questions of the minister which, I trust, will clear up the situation as far as these schools are concerned.

What restriction, if any, is there upon the profits to be earned by air observer schools?

How many air observer schools are there in operation?

Are any of them owned or controlled or operated by the government or by the Royal Canadian Air Force?

What are the names of the companies operating these various schools?

What is the capitalization of each of the companies operating these schools?

How much did each of said companies receive, during every lunar month since it commenced operation, as the management fee?

Mr. POWER: Will my hon. friend send me a copy of these questions before the recess?

Mr. DIEFENBAKER: Certainly. It is impossible to take them down as I am reading them?

Mr. POWER: I am not a good stenographer.

Mr. DIEFENBAKER: What expenditures were made by each under the head of management for each lunar month since the commencement to date?

How much did each of said companies receive for each twenty-four hour period since commencement of operations, for operation and maintenance, and what was the disbursement for each of said periods under this head?

Mr. POWER: For each twenty-four hour period?

Mr. DIEFENBAKER: For each twenty-four week period.

Mr. POWER: I was getting a little worried.

Mr. DIEFENBAKER: It would be a fairly substantial sum for each twenty-four hour period, too, but I am asking for the amount for each twenty-four weeks.

Mr. POWER: It was the trouble of digging it up that I was worrying about.

Mr. DIEFENBAKER: I would point out in connection with operations and maintenance that a company operating an air observer school receives 25 per cent of the saving thereon.

What profit per flying hour is now provided in the agreements between the government and each of the said companies?

If a reduction has taken place, when was the reduction made and has it been accepted by all the companies?

I mention the air observer schools because the other evening, and again to-day, there was apparently a misapprehension in so far as the difference is concerned between the operation of elementary training schools and air observer schools. The elementary schools provide for no profit for the shareholders beyond 5 per cent; air observer schools allow unlimited profits.

I also wish to ask whether consideration has been given by the minister, and a decision has yet been arrived at, as to the continuance of air observer schools under private ownership.

Mr. POWER: I have not the entire list, but in so far as the decision to continue to operate air observer schools under private ownership is concerned, not only will we continue to operate them but we will double their capacity. There are ten air observer schools in Canada. The cost to the crown per graduate pupil is $1,260. The original estimate of the cost per pupil intake was $1,650 while the actual cost to the crown at the present time is $1,075. The net annual profit remaining to each operating company after making provision for income taxes approximates $5,000. The operating efficiency of all these schools is of a high standard, both as to training and as to maintenance of property and equipment, as well as from the economical point of view.

As regards the six companies operated by the Canadian Pacific, and the question as to why the Canadian National does not operate any, my hon. friend will remember that when these contracts were given out—if I remember rightly it was in 1940—a large number of these independent companies had not as yet been absorbed by the Canadian Pacific Railway. The Canadian Pacific, as I recollect, came into the airways field only after these companies had obtained their contracts. Some of the companies are the Yukon Southern and Prairie Airways. I do not know whether it has a contract or not. At any rate, there are six such companies, so that in so far as the Royal Canadian Air Force is concerned it is not our fault if the Canadian Pacific happens to be in a strategic position with respect to airline traffic after the war. I do not know, because I was not in the department at the time, whether T.C.A. was offered contracts, but I presume it was not, because most of these companies were at that time independent; these independent companies were naturally anxious to get into this field, and the department was anxious to have them since they had at their disposal at that time a comparatively large number of trained pilots. It is true that since the plan has been expanded, the pilots as a rule are men who are trained by ourselves, so that what we get mostly is management, knowledge of maintenance, knowledge of the way in which to run aircraft, in perhaps a more efficient manner than would be possible if we did it ourselves. So much have the Royal Air Force been impressed with the work done by civilian companies that they have asked many of these companies to take over the proposed R.A.F. schools in Canada on the same basis as the J.A.T.P. are operated at the present time. With respect to the Canadian Pacific, leaving aside the question of strategic position, which could be discussed more properly in the railway committee because it really has not much to do with the R.A.F., Mr. Coleman wired me yesterday, or rather to the financial adviser, to the following effect.

Mr. HARRIS (Danforth): It is rather late to discuss T.C.A. affairs now in the railway committee when the report has been tabled.

Mr. POWER: I was not aware of that.

Mr. GRAY: I agree with the hon. member for Danforth (Mr. Harris).

Mr. POWER: This is the wire addressed to the financial adviser of civilian flying schools:

Confirming conversations and our suggestion made some two months ago concerning operation of air observer schools—

Mr. GRAY: I agree with the hon. member for Danforth.

The CHAIRMAN: Is the hon. member rising to a point of order?

Mr. HARRIS (Danforth): The point is that the minister suggests that this matter might be reviewed by the railway and shipping committee when they are considering the report of Trans-Canada Air Lines, but that report has been considered, dealt with and reported by the hon. member for St. Boniface (Mr. Howden), and there is no opportunity now, nor will there be for the rest of the session, to deal with it. I hope that the minister will not pass by that particular feature of our review of this situation by just suggesting that it might be considered by that committee. The point of order is that the minister should withdraw the suggestion that we have an opportunity to consider that particular matter, and leave the matter open for discussion in this chamber in due course.

Mr. POWER: I had not thought of the railway committee at all.

Mr. HARRIS (Danforth): Trans-Canada Air Lines—

Mr. POWER: I said that the question of the strategic situation of the Canadian Pacific vis-a-vis Trans-Canada Air Lines was a matter that did not concern the Royal Canadian Air Force.

The CHAIRMAN: There is no point of order. In the first place, the matter can always be referred to a committee by special reference of the house. Even if the committee had discharged its obligation with respect to a previous reference, the house is always at liberty to make a new reference to any committee, and therefore I do not think the point of order is well taken.

Mr. HARRIS (Danforth): It is not necessary to have this referred to the committee on Trans-Canada Air Lines.

Mr. POWER: It is not my concern as R.A.F. to discuss the strategic position of C.P.R. air lines, vis-a-vis Canadian National air lines, because at the time the Royal Canadian Air Force originally entered into contracts, these companies, as far as I am aware, were independent concerns. May I read the telegram before the committee rises:

Confirming conversations and our suggestion made some two months ago concerning operation of air observer schools on non-profit basis. Canadian Pacific desires to confirm its intention to operate schools under present contracts on non-profit basis and to return all accrued surpluses and reserves to the crown at termination of contracts or earlier at minister's option.

Mr. DIEFENBAKER: Are those elementary schools?

Mr. POWER: No; air observer schools operated by the Canadian Pacific.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. CLEAVER: Mr. Chairman, just before six o'clock the hon. member for Lake Centre returned to his attack on the air observer schools, in respect of their profits and in respect of the fact that they are being operated by civilian companies. I think the time has come when these attacks, which I consider rather unfair, should be answered.

The committee will recall that the whole question of civilian operated air training schools, that is elementary flying training schools and air observer schools, was referred to the war expenditures committee, which in turn passed on that part of its work to subcommittee No. 1. As chairman of that subcommittee I think I should remind the hon. member and the committee of a few of the facts. His first charge or attack was that these schools are being operated by private companies, and his contention was that they should be operated by the service. I should like to remind my hon. friend that he was a member of subcommittee No. 1, which on June 2 last brought in a unanimous report, in which the hon. member himself concurred. I should like to read what that subcommittee had to say with regard to the fact that these air observer schools are being operated by privately owned companies:

The training command of the Royal Canadian Air Force express their complete satisfaction in the training results of the elementary flying training schools and the air observer schools operated by civilian companies, and they stated any attempt to place the responsibility of this type of training upon schools operated by the service would place "an intolerable burden on the service", in which statement the committee concurs. The committee recommends that we should continue to take advantage of the services of these civilian flying companies, and that the services rendered by them be extended to their full capacity.

Up to that time the subcommittee had not had an opportunity to look into the profits being made by the air observer schools, but the committee continued its studies during the summer months and as a result brought in a further report with respect to air observer schools. I should like to remind my hon. friend of part of the contents of that report, first as to the efficiency of the operation of the schools:

The subcommittee finds that the air observer training schools are being very efficiently managed. The operating cost was originally estimated at $1,653.57 per pupil. The actual operating cost as of March 31, 1941, is $1,001.27 per pupil. With something over ten million miles flown to date these schools have had no casualties of either trainees or operating personnel.

That is truly a remarkable record, I submit, and one which could not have been attained except under the most efficient management.

Then my hon. friend complains of the size of the profits which were being made by the air observer schools, and of the fact that those profits were being earned by civilian shareholders. As he well knows, the whole question of profits was thoroughly gone into by the committee, and in this connection I should like to read another short extract from the report:

The subcommittee has carefully considered the question of profits which will be earned by the operating companies. Partly on account of highly efficient management and partly on account of the pupil intake as fixed by the contract being increased without proportionate increase in management costs it was found that substantial profits were being earned. The following examples of lunar monthly profits from one of the schools show an average profit of $1,112. . . . This would indicate a yearly profit from that school under favourable conditions of $14,456. In this instance the profit is being earned by private individuals and while the contract restricts the declaration of dividends to 5 per cent annually yet at the conclusion of the contracts there would then be a distribution of accumulated profits. The subcommittee fully appreciates the fact that the air observer schools are being very efficiently managed and that these schools are performing an important war task and also appreciates the fact that measures of economy should not be permitted to slow up our war effort but as the actual circumstances have altered sharply since the contract was first entered into the subcommittee decided that a conference should be called of executive officers representing all of the schools, that the facts should be frankly placed before them and their cooperation invited. The conference was held on June 4 and as a result the operating companies have all voluntarily offered to agree to a reduction of what is described in the agreement as flying hour profits from $1 per flying hour to 35 cents per flying hour.

That was a voluntary effort by the operating companies.

[Mr. Cleaver.]

The subcommittee recommends that the contracts should be amended accordingly and expresses its appreciation for this commendable attitude on their part. The subcommittee fully appreciates the fact that even after this reduction in profits is made, efficiently operated training companies will still earn net profits of approximately $5,000 annually after payment of taxes at existing rates, but believes that under the special circumstances surrounding these training agreements the recognized yardstick of measuring profits by their relation to capital employed is not an accurate system to use. In this instance the department is not purchasing goods or commodities but, on the contrary, is purchasing skill and experience. As to all existing professions, tariffs of fees have been established by practice but there are no tariffs available to guide your subcommittee in reaching a correct decision with respect to the present problem. In the light of all the surrounding circumstances the proposed change will satisfactorily meet this problem.

In view of the fact that these operating companies came to the committee voluntarily and offered to reduce their profits to the point where they would earn only $5,000 annually, for all of their services, I do suggest to my hon. friend that these continuous attacks on civilian owned companies, which are doing such a wonderful war task, should cease.

Mr. CHURCH: In the last war the headquarters of the Royal Air Force were in Toronto; there was no Royal Canadian Air Force then in Canada, and during the course of that war over 16,000 air cadets and mechanics were trained. This training was carried on with headquarters at Toronto and suburbs and at camps at Leaside, Armour Heights, Camp Borden, Beamsville, Trenton and many other places. The headquarters of No. 4 school of military aeronautics was at the university of Toronto and affiliated colleges, and the city which supplied and gave all their buildings and grounds and affiliated colleges. Some very fine pilots were turned out. Among those who were trained there were a large number of young Americans, many of them from United States universities and from California and the other Pacific coast states.

Those air men, when they went home, did not do like the Canadian people did. They did not forget all about the war, the air and all that kind of thing. They went into commercial aviation business, with the result that when the Chamberlain government announced its programme of aeroplane development and rearmament a few of these persons in commercial aviation got large contracts. I must say that Colonel Barker, V.C., Colonel Collishaw, M.C., D.S.O., the present Air Marshal Bishop, V.C., and another one named Frank McGill, now air commander at Trenton, urged the authorities of the day to continue

aviation in a commercial way, and also by way of rearmament. But very little was done until shortly after this war broke out, because the pacifists seemed to have control of almost everybody in Canada.

Even some of the school boards abolished the cadet movement, which has always been the backbone of the three arms of his majesty's forces in recruiting. In London, England, the present home secretary, Mr. Morrison, as head of the London county council, refused to give the use of one of the schools in the evening to the Royal Air Force, or allow Jellicoe's speech to be distributed. The same thing happened in Canada. It happened in Glasgow, where they would not allow signs to be put up in street-cars, for air force and army recruiting, because the pacifists reigned.

In 1939 a first return was presented to the house showing the numbers in the army, the navy and the air force, asked for by me before the war. That return, dated April 24, 1939, showed that the Royal Canadian Air Force was composed of only 257 officers and 1,927 airmen. A return was placed on the table two weeks ago and, if the minister would be good enough to look into it, I should like to have it placed on *Hansard*. It shows the pay and allowances, and other emoluments of the officers and men of all ranks in the air force. The Minister of National Defence supplied this return at my request on an order of the house for all the services, and a number of hon. members have asked for a copy of the air part of the return. I should like now to hand it to the minister to have it checked up, and to see if it can be placed on *Hansard*, as has been done on occasions by the Minister of National Defence and for the women's army. When war broke out I had a resolution on the order paper, and the return, No. 44, came down for all his majesty's forces and the women's army on March 24, 1942.

Mr. POWER: If the committee permits the hon. member to place this on *Hansard*, I would have no objection; but I have no right to permit the hon. member to do so.

Mr. CHURCH: Possibly the minister could check it up to date.

Mr. COLDWELL: Are the rates the same as at present in effect?

Mr. POWER: Yes.

The CHAIRMAN: The placing of something on *Hansard*, without first reading it into the record, requires unanimous consent. Do I assume the hon. member has unanimous consent?

Mr. COLDWELL: I suggest that any table of pay and allowances now placed on the record should be brought up to date, and I believe that is what the hon. member desires. I suggest this return should not be placed on *Hansard*, if it is not up to date.

Mr. POWER: I gathered it was a return which had been tabled recently.

Mr. COLDWELL: I thought it was 1939.

Mr. POWER: If the committee wishes to have a table of 1939—an obsolete table—placed on *Hansard*, I have no objection.

Mr. HANSON (York-Sunbury): I believe the hon. member is asking the minister to have the table checked by his officials, brought up to date and then placed on *Hansard*.

Mr. POWER: I should be very glad to do that. I thought the hon. member wanted my permission to place it on *Hansard*, and my reply was that I have no objection to his placing anything on *Hansard*.

The CHAIRMAN: I understand the hon. member has not the unanimous consent of the committee?

Mr. POWER: From what the hon. member said I understood he wished me to have the return checked by my officials, so that it might be placed on *Hansard* after it has been checked.

Mr. HANSON (York-Sunbury): And brought up to date.

Mr. POWER: Yes. This seems to be a return of March 24, 1942, and would seem to be pretty well up to date.

Mr. COLDWELL: I thought it was 1939.

Mr. CHURCH: Any action taken with respect to the recent return will satisfy me. It is the pay of all ranks in the air force. It may have to be brought up to date, a few days. I acquired it from the clerk of records.

Since war broke out I have had a resolution on the order paper asking for better allowances and better protection to the men of his majesty's forces and Canada's soldiers, including the air force, and asking specially for a system of life insurance on all soldiers, so that they will be taken care of after leaving the forces at the conclusion of the war and for sickness and unemployment insurance. I have asked, too, for a cost of living bonus for dependents, and free fares and better accommodation on trains and ships, and a bill, No. 6, to amend the Railway Act (free fares). I hope that some effort will be made to carry

these suggestions into effect, and that special consideration will be given to supplies to the air force.

Before the war broke out, municipal, provincial and federal authorities had spent nearly a billion dollars on the dole, during the period of depression and unemployment. In the years 1936, 1937 and 1938 I urged on the government on my motion as a private member that it should adopt a system whereby young people out of high schools would in an apprenticeship system of three years learn military drill, get pocket money, clothing, lodging and deferred pay by signing up for from three to five years and work as apprentices in industry or mechanics in eight or nine key industries. If that had been adopted we would have had about 25,000 skilled mechanics from these industries when war broke out and nearly that number of air mechanics. I am sorry it was not adopted. The money was spent, anyway, on the dole and wasted, and when the war came we found that we were away behind in our preparations.

Many of our young Canadians were overseas a year or two before the war. Some of them had to go at their own expense or on cattle boats to enlist, and that matter has been discussed here. There was some discussion as to whether we should send them over a year before we took part in the war, at Canada's expense, for the Royal Air Force. I know of one young man at Belleville who was helped out of gaol on my request by the Minister of Pensions and National Health. The young man told the magistrate at Belleville that he was sixteen when, in fact, he was only fourteen. The minister interested himself in the young man, and he was released. He was only fourteen, but gave his age as sixteen or seventeen so that he could go overseas in a cattle ship to the old country in order to serve.

I have been pleased to see the work done in connection with cadet services. The school boards of this country deserve a great deal of credit. Long before the South African war, in fact after the Fenian raids, school boards and boards of education supported the cadet movement in the schools of Canada. That movement was the backbone of the militia in the last two generations; it is the backbone of the reserve army, air force and the naval cadets to-day. Boards of education in Canada have done good work in that connection.

I was sorry that five or six years ago parliament struck out the vote for the cadet movement. As I have said to some hon. members, I think it would have been far better if the government had left the air force the way it was; that is, actively connected with the army and the navy, through the school boards. In that way I think we would have had a unified cadet system under public control. True, some say that private citizens and organizations furnish equipment. That may be so, but cadet air services receive, I believe, a $25,000 grant.

One of the most ardent workers in connection with air cadet training has been Right Reverend Bishop Robert J. Renison, of St. Paul's Anglican church, Toronto, a veteran of the great war. I believe that at the annual air cadet service there were 1,200 of all cadet denominations at his church. He was a leader in education and military matters. His son went to the old country in 1938, at his own expense, and joined the Royal Air Force in England. He was a young varsity student and is now a prisoner of war in Bonn. The bishop, one of Toronto's leading citizens, has done a great deal of work in connection with the air cadet services. His other son is with the 48th battalion in England.

A return was brought down in the British parliament in connection with the help given by the women's army, as far as the air service is concerned. I believe that in the pay service, and in many other occupations they could be used to displace some of those between the ages of seventeen and forty-five and release some for overseas and home defence.

An air force return was brought down by the minister, No. 29, on February 26, 1941, with reference to sickness in the manning pool at Toronto. It seemed that the air force got the horse palace and cattle stable buildings there, good modern brick buildings, and the return states that in one there were 864 cases of respiratory throat trouble as well as many other illnesses. Now that the government has taken over this property, on which $23,000,000 had been spent on grounds, buildings and permanent exhibits by the city, the air force should get better equipment and buildings on these grounds like the navy have, and better than they have in connection with the present manning pool.

The empire training scheme has been commented on very favourably many times. Complaints have been made, and I know the minister is doing everything he can in connection with them, about the accommodation on Canadian trains as well as on boats in the ocean service. The minister has been most sympathetic toward these complaints and I know he is doing everything to have an improvement made in better transit accommodation and cheaper meals and all along the line, and as to fares my bill asks for free fares.

I should like to say a word about the losses and deaths in training that have occurred in the air. Of course these losses cannot be compared with the loss of life occasioned by the motor car. In the city from which I come 107 people were killed last year in motor car accidents, and the losses all over Canada from motor cars are most appalling. When a loss of life occurs in connection with the air training scheme I think a copy of the evidence taken at the inquest should be made available to the relatives. These inquests are not civil inquests; they are military inquiries carried on under the regulations of the department. Civil inquests are in public. I have no complaint to make, but the families should have a copy of the evidence and findings and I would offer the suggestion that greater care should be taken to prevent accidents to young pilots in the Royal Canadian Air Force.

I know the authorities have been careful and that accidents are likely to happen when we have such a large number of camps spread all across the country, with a great variety of climatic conditions, but I think every care should be taken. Many of these young men come from other empire countries such as New Zealand and Australia and the most extreme care should be taken. These young pilots are placed in positions of responsibility and accidents will happen. I realize it is not fair to draw rash conclusions; we must compare our losses now with those that occurred in the last war and take into consideration the hours of flying, miles travelled, and so on. Everybody admires these young pilots who fly the skies after a great deal of training, after weeks and months of study. While some of them have the necessary skill, many of them do not have the confidence they should have. The government should see that the camps have the best equipment available, and have rigid inspection of pilots, equipment, and over flights.

I hope that great care will be taken to prevent accidents. We should take into consideration, not only the climate but the position of the camps. I understand from what the minister said last session that he does not locate these camps, that that is done by the Minister of Munitions and Supply. In the case of some of these camps great difficulty has been encountered in getting sewers, water and transportation facilities. Some of the camps in the west and in other parts of the country are not located where they should be. The climate and weather conditions are important factors. Many of these young men who come to this country are not used to our fogs and prevailing climatic conditions, and they may not have as good judgment for distances in bad Canadian winter weather and other matters as they should have. Referring to this question of accidents in the British House of Commons, Captain Balfour, joint under-secretary for air, said the other day in the house on a discussion of this very matter of air training:

> I was very glad indeed that the hon. gentleman raised the question of accidents, because one of the tragic aspects of the administration of a service department such as the air ministry, which my right hon. friend and myself have to face, is that the air, even in peace time, has always taken its toll of human life and that in war the toll is much greater. I can assure him that we regard accidents as incidents which must be investigated and sifted to the uttermost. We are always anxious about accidents; we can never be happy or complacent or satisfied so long as accidents, which might possibly be avoided, occur. We have a complete accidents branch; we sift out statistics of all accidents with a view to finding out whether a particular type of aeroplane is more prone to accidents than to others and whether a particular age group is inclined to be more prone to accidents than another; we study meteorological conditions and get a series of cross sections of all the circumstances attending accidents.

A member inquired about the operational work being carried out with monoplanes, and Captain Balfour replied:

> I will gladly answer that point. Biplanes are used to any extent in the training of pilots, only at the elementary stage, and at this stage the biplane has been found to be satisfactory and economical in use. It is our experience that pilots receiving their initial training on biplanes show no variation in skill, as compared with pilots who have received elementary training on monoplane types. I cannot agree that the biplane is inefficient or wasteful, or is not giving our young men a fair chance. On the other hand, the biplane has not got all the modern developments associated with the low-wing monoplane.

I am satisfied that here in Canada a great deal of care is being taken but, when accidents do occur, I think the parents should be informed immediately and be provided with a copy of the evidence taken before the military court and its finding. I am sorry that the universities of this country have not received more support from the government in their air programmes and syllabus. The technical school at Toronto applied for a new wing, but their request was not granted. They have been doing a great deal of work in training students, both in the day time and in the night time, in order to qualify them to work in munitions plants and other plants manufacturing aeroplane equipment and all that kind of thing. I believe something should be done to help them because it is essential war work of the greatest national value for total war.

Have any experiments been carried out, either by the government or by the Canadian National Railways, in connection with the use of air ambulances? These flying schools are located all over Canada, and I am sure that many lives could be saved if we had a proper system of aeroplane hospital ambulances and nursing services. I think this is worthy of immediate consideration. When this war began there were some cardinal errors made in connection with lack of bases and protection of the air force and their aerodromes overseas. Britain was not ready. The pacifists in government were to blame. There are three elements which have caused a heavy loss of life in the air in this war by our naval disarmament. I refer to the reduction in our cruiser strength from seventy to fifty by the Washington treaty, which reduction was contrary to all Admiralty advice. This has led to great losses of life in connection with flying. Then there was the limitation of our destroyer flotillas on the incorrect assumption that flotilla strength should be determined by the submarine strength of the other powers. Also there was the abandonment of the bases in Ireland. All these have caused a considerable loss of life in connection with the battle of the Atlantic on land, sea and in the air.

Canada should study the effect of the development of the air arm in the conduct of war at sea. We might have some statement about that. After two and a half years of war it should be possible for this country properly to value and assess the part that air warfare has played so far in this war and what is expected of it to the war's end. It has had some successes in this war and some failures, some successes which were least expected and some failures where success was anticipated. To-night we hear of an enemy submarine sinking a freighter in the St. Lawrence. The enemy is at our front, side, and back doors.

We can learn lessons from the bombing of Britain. Blackouts, per se, are of little value alone. In the daylight attacks on Britain the enemy were favoured by good long-range conditions and by having a ring of bases all round Britain from which their bombers could attack the island, and industries and dense population all together, but the British people withstood the attack. The daylight bombing was a failure. The combination of the Royal Air Force fighters and the anti-aircraft guns broke up the daylight attacks. The guns broke up the German formations, and the fighters of the Royal Air Force concentrated on the scattered enemy units. That was responsible for the wide difference in the figures of losses given out by the Germans and the British. At night the only defence Great Britain had at first against attack from the air was the barrage balloons, which prevented dive-bombing on moonlit nights by the German air force. At first neither the British anti-aircraft guns nor the fighters were effective against the German bombers at night. There were two main reasons why all the cities of Britain did not suffer the fate of Coventry. First, the enemy did not have sufficient heavy long-range bombers available, and there was, secondly, difficulty in routing their formations flying at high speed on dark nights and bad weather from widely separated bases. But the night bombing by the German air force was overcome in time through defence improvements and the British defence of radio location, together with anti-aircraft gunnery. The May blitz on London was the worst, and it was also the most costly for the attackers, and in the result the invasion in the air was on the whole a failure, though a lot of lives were lost and there was heavy civil damage.

I appreciate what has been done in the commonwealth air training plan. The type of recruit offered is most excellent, and we have had no difficulty in getting recruits for the air force as well as for the navy, under the voluntary system. If the proper methods had been adopted from the very beginning of the war, there would have been no difficulty in getting recruits for the army and under voluntary recruiting I think a million men could have been obtained, but as I said when the war started it was almost as difficult to get into the army as it was to get into the Rideau club, which is supposed to have a long waiting list. The policy at that time in getting recruits for the army was on-again, off-again, on-again. If we had had a better system, I believe we would have got the recruits. The military authorities did all they could, and I am not criticizing them at all, far from it, because they are a very fine body of men, and in that tribute I would include the three good ministers of the war departments of his majesty's forces and the Minister of Pensions and National Health, who are all experienced, trained soldiers. I still say, however, that if we had had a proper system of voluntary recruiting for the army at the start we would have done very much better than we did.

Mr. McCULLOCH: Mr. Chairman, I am not in the habit of taking up very much of the time of the house, but some three years ago an airport was started in New Glasgow and the town was asked to buy a large tract of land, which it did and deeded the same to the

government. At that time the government spent in the vicinity of $20,000 in levelling off this field and putting it in shape for hard surfacing. In the last four months four planes have crashed in this vicinity, one at Lismore, which plane was damaged considerably. One landed at the airport and stuck in the mud; another one landed to help it, and I understand that they are both there yet. Three weeks ago another one crashed at the Allan shaft within two miles and a half of the present airport. If this airport had been in condition these planes probably could have landed safely at it.

The damage done to the first plane at Lismore would have more than paid for the hard surfaces of this airport. Planes are flying over New Glasgow night and day. Not having an airport to land at when they are in trouble they may crash, as occurred in the instances of which I have spoken, and at any time there may be loss of life.

I want to read a few paragraphs from a letter I received from Mr. L. D. Payzant, chairman of the airport committee of the New Glasgow board of trade. He says:

> Since writing you the above letters, disaster has taken place to three more planes in this area, largely I believe due to the fact that the government have no adequate airport here which means that they did not implement their contract signed with the town of New Glasgow on March 1, 1940.
>
> The additional accidents to which I refer are, I think, familiar to you. Several weeks ago a plane landed on the airport, which of course lacks hard-surfacing, and in the muddy condition of our spring it was injured. A second plane came to its rescue and was likewise mired in the mud, and so far as I know both planes are still there awaiting weather that will dry up the surface of this field. Such a situation is really pathetic when a few thousand dollars would have put the field in shape for emergency use.
>
> On Saturday last another disaster took place. A military plane had to make a forced landing at the back mines just about three miles from our air field which, of course, he probably did not recognize as there are no markings on it whatsoever and no record in the manual supplied to flyers. If the difficulty to planes mentioned herein and those referred to in my letter of January 12 continue, and they are likely to do so as flying around this district seems necessary, it seems the height of folly on the part of the department to ignore the contract with the town. All we are asking for at the present time is to have this field hard-surfaced and made available for planes in emergency.

I submit that for the minister's consideration.

Mr. ADAMSON: First of all, I should like to congratulate the Minister of National Defence for Air upon one particular phase of the excellence of the joint air training plan, and that is that I have never at any time heard any complaints in any way, shape or form that the slightest tinge of politics was mixed up with this magnificent plan.

There are one or two suggestions I wish to make, possibly from a military point of view. It has been my privilege to discuss the campaign in Libya not only with air force officers but also with army officers and with United States observers of that campaign. Nearly all of them have said this one thing, that a break-down was caused by lack of co-operation between the two forces, the air and the army. They simply did not think in terms of each other's weapons.

I suggest to the minister that here we have a great air training scheme, as well as a military training scheme, and eventually the army and the air force will have to fight together. It seems to me that at the coming air conference some suggestion should be made for using Camp Borden, where we have an air force training school and the Canadian armoured corps, to train the two forces to cooperate and learn the characteristics of each other's weapons, so that as far as the army is concerned, we shall know what we look like from the air, and the air force will know some of the difficulties, the lack of vision, the peculiarities and the strain upon drivers of armoured vehicles in the army. I have made a similar suggestion before. Both the air and the army authorities have invariably agreed that this would be a good idea, but the air force said, "We have not the pilots to train these men, nor have we the machines." I suggest that this is one of the essentials. We should send both our army and our tank crews overseas with some knowledge—you cannot make it extensive, but at least it can be a basic knowledge—of each other's point of view. In this way you will start off with a cooperation which you must have in any mobile war.

There was an announcement in the press the other day that His Majesty the King was pleased to assent to the formation of a Royal Army Air Corps. I have seen nothing further about it, and I should like to know whether there is any foundation for the statement.

Mr. POWER: I do not know anything about it. It is not my business.

Mr. ADAMSON: I believe it was a Canadian Press dispatch, and appeared in a Toronto paper.

There has been considerable discussion this afternoon and this evening concerning commissioning of air crew personnel who have graduated. The minister suggested that they should become ensigns. The difficulty, I believe, is that after a certain period, when

they go through and get their wings, the highest fifty per cent are commissioned and the rest are made sergeant pilots. I suggest to the minister that he consider giving all graduates the king's warrant—making them all warrant officers—until they have had so many hours combat flying. I suggest that as an idea which might work, because I realize a difficulty arises. Because one boy gets 86 per cent and another gets 84 per cent, the one becomes an officer and the other a sergeant. I believe that is an unfair system. Perhaps there are difficulties about making them all officers where there are large bomber crews containing as many as eight men. But this discrimination seems to me bad and undemocratic in principle.

There are two or three more suggestions I should like to make to the minister. A large number of Royal Air Force personnel proceeded here from England and trained in the United States. They came back, and we met them. All of them had a certain amount to say. A large number were failed, and they believe they had been failed unfairly. This is an administration matter, but I must point out that these stories were general; we talked to many who came back. Was there any reason why so large a number did not qualify as pilots in the United States?

Before a man can join the air force he undergoes an aptitude test. I believe that is general, applying to both the ground crew and the air crew. In my opinion there should be an aptitude test for every recruit before entering any branch of the fighting forces, and it would be interesting if the minister would give us some information or suggestions about how this test has worked for his air crews and his ground crews.

Mr. POWER: All I can tell the hon. member is that the minister tried it himself, and failed.

Mr. ADAMSON: I was afraid to try it. But I should like to know whether, after the experience of a year or so, it has proved a success. The psychologists thought it would.

Mr. POWER: They say it has been successful.

Mr. ADAMSON: The air crews—pilots, observers and air gunners—go through the schools and train until they get to their combat planes. I believe the committee would like to know what percentage of their training they get in Canada before they are capable of engaging the enemy in a combat plane. I understand they go to a combat centre in England and then to their fighter aerodrome. How much more training could we do in Canada? What percentage of the finished article is made in Canada? What is left to be done in England?

If section 3 of the National Resources Mobilization Act is done away with, a great deal of time and effort might be saved by having joint recruiting stations. Frequently a man in the army, particularly at a basic training centre, thinks he is unfairly dealt with because he has not had an opportunity to go into the air force, and the military authorities have quite a lot of trouble in convincing him that the air force is full up as regards ground crew and that he has not the qualifications for air crew. I believe it would be a saving if joint recruiting offices for the three services were set up, wherein each applicant would be tested and sent to the service with which he was going to fight. He could then go on, knowing from the very beginning that he had had his chance of joining whatever service he wanted to join. He would not continue during weeks and perhaps months of training with the psychological handicap of wishing that he was in some other service.

I leave these three or four suggestions with the minister, and I would again particularly stress cooperation between the air and the army. We feel that we are kept in the dark about air matters, and there is a certain amount of resentment in many sections because it is believed that the air force does not cooperate with us. I dare say the fault is partly ours, but I think this is a war of three dimensions and, no matter what weapon we fight with, we have to be conscious of air warfare. I would suggest most earnestly to the minister that during the coming conference, right from the basic beginning, cooperation between the army and the air be taught, and taught in such a way that the army will become air-minded and that those in the air force will have a better understanding of our problems on the ground.

Mr. MacINNIS: I think the eulogy of the flying schools by the hon. member for Halton (Mr. Cleaver) is likely to lead the committee astray. I was on the war expenditures committee last year when the second report was made, and when the subcommittee, of which the hon. member for Halton was chairman, presented its report to the main committee it was not accepted but was referred back to be amended. I see no reason why the commendation should be so effusive even if the flying schools are doing a fairly good job. Why they should make any profit at all is the amazing thing to me. After all, the civil aviation schools put only a very nominal

amount of money into these institutions. All the capital is provided by the government. To set up a school complete, requires, I understand, some $800,000. The original shareholders in the aviation schools provided $35,000, on which they are allowed a dividend of 5 per cent. Why they should make any profit over the 5 per cent paid on the invested capital is quite beyond me.

Let us look at the fourth report of this subcommittee, concurrence in which has not yet been moved in this house. I find this:

> The subcommittee finds that in every instance all of these clubs and companies are devoting their entire effort to the war training work. They are highly efficient and are carrying on their task without any thought of profits to the company or to private individuals.

That appears on page 593 of the minutes of proceedings, and two pages further on I find this:

> In regard to profits to be earned by the training companies under the agreement, the amount of profit which would accrue under the agreement was determined as accurately as was possible at the time, but there was no previous experience on which to base an estimate. The subcommittee has carefully checked the profits which are being earned and finds them to be excessive, due to increased flying hours necessitated by increase in pupil intake.

Here is an organization which the committee says is carrying on without any thought of profit, and yet in the next breath it finds that the profits that are being made—mind you, by an organization which is working without thought of profit—are excessive. I wonder what the profits would be if they were operating for profit. Certainly they do wonderfully well when they are interested only in performing a public service. I mention this because I refused to accept the recommendation made by the subcommittee when the report was submitted. The government, as I have pointed out, provides the buildings, the planes, the gas, the oil, the food and everything. All that the schools provide is the management, for which they are allowed so much for salaries.

The report, a copy of which I have here, states that the companies operating the flying training schools are doing so under an agreement the terms of which were negotiated after conferences with the Canadian flying club association. It says:

> Under the present contract the crown supplies the site of the school and all necessary buildings and equipment. The training company furnishes all management and operating personnel excepting a small supervisory air force personnel resident at the school to maintain proper discipline of the trainees and to see that the syllabus of training is adhered to.

Let us see what the government supplies. The first item is management:

> This item includes salary of manager, secretary-treasurer, office staff and all items of management. This payment is a fixed amount of $1,400 per school, per lunar month.

Then there is operation and maintenance:

> This item includes the salaries of all instructors, instructor pilots, engineers, electricians, mechanics, labourers, etc., and also includes cost of all spare parts and material used in connection with the maintenance of the aeroplanes. This item also includes heat, light, insurance, etc. The agreement calls for payment of a monthly target price, which in the first agreement was $16,000.

Then flying hours:

> This item covers payments for three separate items. A monthly target price is set up to pay for cost of gas and oil. Any surplus earned as to gas and oil is the property of the crown and there is no profit feature to the company in regard to this item in any way.

Then messing:

> The sum of 90 cents per man per day is paid the training company for messing. As no provision is made elsewhere in the contract for costs of the caretaking of quarters and for laundry, the training companies are paying for these services out of the amount allowed for messing, and in most instances the messing is sublet to a firm of reliable caterers.

Here we have the whole cost paid for by the government. And remember that in the first instance all the capital that the flying schools supplied was $35,000, whereas the capital required for a school is some $800,000 or more. Despite that, I find in the fourth report something to which I objected at the time the second report was being prepared, and which was not included in that report:

> The subcommittee has already recommended that all profits should be invested in non-interest bearing Dominion of Canada bonds so that all profits earned will be available for war purposes until the end of the war. Most of the companies are already following this practice. The subcommittee has already recommended that the agreement should be amended making this compulsory. If this is done and if all the common stock of the training companies is held in trust for the flying clubs sponsoring the training company with federal charters in the terms recommended in this report then the question of profits is adequately protected.

Let me remind you, Mr. Chairman, that this common stock was given to the owners of the original $35,000 capital, and they did not pay anything for it. So the government of Canada is paying dividends or profits on common stock that did not cost the shareholders anything.

Mr. POWER: Oh, no.

Mr. MacINNIS: That is the principle to which I am objecting in this instance. It is a crime and a shame, and for the life of me I cannot see how the committee could recommend such a procedure.

Then the hon. member for Halton made much ado about the fact that these companies voluntarily agreed to reduce the flying hour cost, I believe in the case of the observer schools from $1 to 35 cents. I cannot see where the voluntary part comes in? They agreed, when the committee had satisfied itself that the profits they were making were excessive. I believe the profit being made by the observer schools was 66⅔ per cent; and though they had been carrying on for months it was not until they were brought before the committee, and told by the committee what facts had been discovered, that they agreed to reduce the flying hour cost from $1 to 35 cents. The same thing applies to the elementary flying training schools, which reduced their cost from 50 cents to 25 cents. There really was nothing voluntary about it. It happened in this way. The committee said "We believe your profits are too high and will not bear inspection. If we bring in a report to the house showing these profits, there will be a hullabaloo over it and they will be reduced anyway," so the schools "voluntarily" agreed to reduce their flying hour cost. The mere fact that this reduction was made, to the extent of two-thirds in the case of the observer schools, shows that the original costs were excessive and had been excessive for a long time. I think all that the committee to which I refer is doing is acting as a sort of advertising agency for the observer schools and the elementary training flying schools, and we should expect better than that of a committee on war expenditures.

Mr. GRAYDON: My remarks this evening will be on a different subject and perhaps of a different nature from those which have been made by previous speakers, but I find it difficult to keep my seat when a matter so important to the country generally as the air force of Canada is under discussion.

I believe the Canadian people have a very deep sense of appreciation of the tremendous sacrifices that are being made by a certain group of our citizens, that is, the men who risk their lives day and night in the air crews of the Royal Canadian Air Force and the Royal Air Force itself. It seems to me that if ever a truth was self-evident it is the fact that when the actual testing time comes to our people, the youth of our country always measures up to the very best traditions of both age and experience. Those of us who have carefully watched the work of the men of our air crews are brought to our feet to pay a well merited tribute to these men who night and day sweep the skies over Germany, over the desert sands of Libya and over the expanse of the oceans from one end of the world to the other, who take risks perhaps greater than those taken by any other branch of our armed forces, and I say that without desiring to cast any reflection upon the dangers faced by those in our other armed services. But it does seem to me—and I am sure this must have occurred to many members of this parliament as I know it has occurred to many people throughout the country—that if we are to have some approach to equality of sacrifice in this war, and if some men are to be paid more than others, it should be the members of these air crews who face perils and dangers night and day, whose lives at best are very short, and of whom the Prime Minister of Great Britain said in those memorable words which will echo down the corridors of time, "Never was so much owed by so many to so few."

So it seems to me that, while there may be good reasons why in committees like this questions of pay should not be unduly emphasized, at the same time since there is a difference in the amounts paid to the men serving in the civilian as well as in the military branches of our war effort, we should review once and for all the whole question of pay in order to make proper recognition of the dangerous activities which we ask these men to undertake. I know something of the difficulties with which the minister is faced in connection with many of these matters. There are some things for which I do not give the minister credit, but I do believe he is sympathetic to the men in the air force of which he is the head. So I appeal not only to his mind but to his heart, to see to it that these men of the air force are given some sort of return which will compensate them in some measure at least for the tremendous risks and the great dangers which they must face day and night for you and for me.

I should also like to offer a suggestion to the minister in regard to a matter which has come to my attention on more than one occasion, as I am sure it has come to the attention of the minister and other hon. members. It is in connection with the embarkation leave, which particularly to the members of the air crews is a very significant and important leave. It seems to me we should take into consideration the vast distances in this country, and see to it that each man secures his clear fourteen days leave in every instance. I understand that is not always the case in some branches of the service, and I hope that when the minister scrutinizes his own regulations carefully he will make the necessary adjustments. I ask the minister to consider this matter seriously, because nothing less than the best should be given to these men. I

know the minister will see that that is done, after he has given the matter that attention which I suggest it so richly deserves.

What I am about to say, in closing my remarks, was to a great extent prompted by what was said by the hon. member for York West (Mr. Adamson), when he spoke of the desirability of having the three branches of the service united in some kind of joint enlistment bureau. I have no doubt that from time to time the minister has received complaints to the effect that young men attempting voluntary enlistment in Canada have a difficult time in trying to assess the position in which they find themselves. They have difficulty in locating the type of service into which they wish to enter. I have always felt that as a country we have not done enough to provide information leading to the objectives these young men wish to reach. Even if it is rather late, it seems to me that something might still be done. It is better late than never. I believe we could provide voluntary enlistees in Canada with more information as to the available types of service, and the work which may be open to them when they wish to enter any of the three branches.

I am sure the minister has had young men come to him—I have had the same experience—and say, "Well, I do not know where to go. I am depending upon a rumour here, and a story there. I am told it is best to go into this branch of the air force, or that branch of the army." It seems to me that the government should take some steps, before it is too late, to see that these men learn through some authoritative channels the types of services and the openings available in the three branches of our armed forces.

Therefore I would supplement what the hon. member for York West had said, with the further suggestion that we might properly have some kind of information bureau to carry out the suggestions which have been made. While at this time I do not wish to tread upon dangerous ground in connection with our present defence position in Canada, there are one or two questions I should like to ask. Of course the minister will be careful in his answers to any questions I may raise in this connection. However, there has been in the minds of many people in Canada the thought of the imminent possibility—perhaps not imminent, but certainly a possibility—of air attack on the dominion. I remember having brought this matter to the attention of the Minister of Pensions and National Health a year ago. I really went quite a piece with him, because I suggested the setting up of a new ministry of home security. I pointed out at the time that the minister knew I was making no reflection upon him, because, having regard to the fact that he is a bachelor, there was no use in giving him home security to look after.

I made the suggestion seriously, however, because I felt, as did many Canadians, that there was a definite possibility of air attack on the dominion. I believe the situation is more imminent to-day than it was then. There are many citizens—you may call them armchair critics, if you like, and among the number you may place me—who think that the dominion should have the assurance that if we are attacked from the air we have in our air force in Canada sufficient combat planes with the necessary equipment, guns and power to see to it that whatever does come across the seas, either from aircraft carriers or otherwise, will be dealt with in the manner in which we as Canadians would want our nation defended.

I would therefore ask the minister to give the house and the country some assurance that every possible precaution is being taken, not only in connection with our coastal anti-aircraft defences, which I know are being developed, but also with respect to interceptor planes and other types of combat planes. I know we have plenty of trainers; but, on the other hand, that would not be sufficient, provided we were subjected to air attack. Would the minister consider that question and, if possible, satisfy our people by an assurance that the air force in Canada is reasonably able to take care of any emergency such as I have outlined.

Mr. POWER: No minister in any country in the world can give the assurance that there is adequate air protection at any time. As to telling my hon. friend as to the combat planes and bombers, or interceptor planes we have on hand he knows very well I cannot tell him that.

Mr. DIEFENBAKER: Just prior to the evening adjournment I asked the minister a number of questions which, I realize, he has not yet had an opportunity of answering. However, the hon. member for Halton took it upon himself to answer the questions I had asked. I do not wish to enter into any controversy with that hon. member in regard to what took place in the committee on war expenditures, and for that reason I am not going to answer many of the statements he made this evening.

I do, however, wish to point out that no attack was made on any system. The

stand I take now and the one I took last summer was that in a time of war there was no justification for profiteering on the part of any company or any individual in Canada. If the answer to the questions I have asked reveals that there was in fact no profiteering, then of course the entire answer has been given to the questions I asked. This evening the minister said that in so far as air observer companies were concerned, after payments of all income tax and the like the average profit had been $5,000. That, of itself, signifies little. It shows that after all expenses have been paid and all deductions made, these companies have been receiving a net profit of 10 per cent in connection with the doing of work, the producing of air observers, for our flying forces. Let me say that what the true profit is can be determined only when there is an answer to the question I asked as to how much money was paid by the operating companies to the parent companies. The present set-up in some cases is this: There is the parent company. Then there is the company which receives the contract from the government. I suggest to the minister that the records will show that one or more of these companies with contracts, when arriving at a net profit of $5,000, failed to take into consideration sums of money running up to $12,000 and $14,000 which were paid to parent companies that existed before the war. Therefore the true state of affairs is not revealed by the statement that the net profit is merely $5,000.

This afternoon the minister stated that, either yesterday or the day before, the Canadian Pacific Railway company agreed voluntarily to continue the operation of air observer schools without profit. That attitude on their part deserves the highest commendation. The work they are going to do in connection with the training of air observers is the type of service which was so highly spoken of by the hon. member for Peel (Mr. Graydon), and they are going to do it without profit. The object of the questions I asked this afternoon was to place before the minister and the country the situation which prevails in so far as certain companies operating air observer schools is concerned. They are permitted to make profits on an average of $5,000 after having deducted large sums of money which were paid over to parent companies. I understand that, in addition to that profit, 5 per cent has been guaranteed to each shareholder.

The present position is that these companies which were set up by private individuals received contracts from the government, under which they first received a management fee of $2,700 a month. On the basis of that management fee and the savings thereon, a large portion of their profits is determined. Then there is a maintenance and operation account on which they receive $17,500 for every period of four weeks. At the expiry of their contract they receive 25 per cent of the surplus savings under this particular head. Finally there is the flying profit. Previously they received $1 and then it was reduced to 35 cents. The hon. member for Halton says that this was done voluntarily, but I do not intend to enter into a discussion of the definition of "voluntarily". However, I would point out that the operating companies agreed to do this only after the matter had been discussed before the committee. I ask the minister to furnish the committee and the house with information to which the members of the committee cannot refer because the evidence was given behind closed doors. Will he furnish answers to the following additional questions? What was the gross profit of each company operating an air observer school?

Mr. POWER: Are these the questions the hon. member sent me this afternoon?

Mr. DIEFENBAKER: I shall send these over to the minister. First, I want to know the gross profit of each company operating an air observer school in Canada before the deduction of any taxes. I want to know which companies operating air observer schools paid anything to parent companies for experience and the like. How much was paid by each company to its parent company during the first year of operation? The answers to these questions and to those I asked this afternoon will afford an opportunity to this country and the committee to know whether the contention of the hon. member for Halton is correct or whether the contention I am placing before the committee is correct, namely, that some of these companies are taking an unfair advantage of this country's being at war. I am glad to note the patriotic attitude of the Canadian Pacific Railway.

Mr. REID: Better watch the C.P.R. too.

Mr. DIEFENBAKER: I have the assurance of the minister that the C.P.R. is not getting any profit, and I take it that they are not going to expect any profits from the inception of their contract.

Mr. REID: They have other things in mind.

Mr. DIEFENBAKER: The hon. gentleman may cover that. I say again what I pressed this afternoon, namely, that the Canadian National Railways should have an opportunity of having air observer schools and the like so

that, when the war is over, our two transportation systems will be on an equal footing in so far as the development of post-war air transportation is concerned. I am asking the minister to answer these several questions so that the situation with regard to air observer schools will be known to this committee and to the country.

Mr. POWER: Rather than indulge in an acrimonious debate with my hon. friend with respect to this matter, I have taken the liberty of asking the officials who are most familiar with it to prepare categorical replies to his questions. I do not know that it would serve any useful purpose for me to controvert the statements made by my hon. friend, although perhaps if they go out to the press to-night it will be found that a great many of them are not in accord with the facts. However, I am not going to discuss them. I am sure I shall be able to answer every one of my hon. friend's questions in such a manner that he himself will have to admit that some of the aspersions which he casts on either the companies or the department, I do not know which, were not founded on fact. I have not my papers before me, but I am quite sure that there are no profits paid to parent companies by the operating companies. If I am not mistaken, most of the air observer companies have no parent company; they are dealing directly with the department.

Mr. DIEFENBAKER: The minister has said that I made statements which were incorrect.

Mr. POWER: I think so.

Mr. DIEFENBAKER: If he does not know, then I wish to point out to him that there are companies which have parent companies that have received varying amounts, as high as $13,000 or $14,000, from the companies holding contracts with the government and paid for experience and other services.

Mr. POWER: I will check.

Mr. DIEFENBAKER: I think the minister was most unfair to me when he said that I was casting aspersions that would not be borne out by the facts, when I simply asked questions for the purpose of having the situation determined.

Mr. POWER: It is not fair for the hon. member to draw conclusions from his questions until he has had the answers. That is the only objection I have.

Mr. GOLDING: I think my hon. friend wants to be fair to both the elementary and the observer schools. He was a member of the war expenditures subcommittee along with myself, but there is one thing in connection with these schools that has not been pointed out. They had contracts with the government for three years, and the rate per flying hour was based on forty-eight pupils. After the collapse of France things were stepped up and this number was doubled, with the result that with a few more personnel and a few more planes they were getting a larger number of flying hours per lunar month than was expected when the original contracts were let. When we came to investigate their profits, I must say that I was proud of the men in both the elementary and the observer schools because they came here and assured us that it was not profits they were after, and they voluntarily offered to reduce the flying hour profit in the elementary schools from fifty to twenty-five cents, and in the observer schools from $1 to thirty-five cents. It was the increase in the number of pupils which they had to handle that was giving them the greater profits which we considered too much. I do not think that has been brought to the attention of the committee before to-night, and I think in all fairness to the schools it should be mentioned.

Mr. NOSEWORTHY: Mr. Chairman, I want first of all to commend the minister for having built up from scratch an excellent department. I am quite sure that the Canadian people appreciate the great work that is being done by the air force of this country under the minister's direction.

I want to pay tribute to the thousands of young men, mostly from the high schools of this dominion, who have gone into the air service, and particularly do I pay tribute to several hundreds of those boys who have gone from my own classes in my own school. To-night I should like to pay especial tribute to the memory of one of those boys, Flying Officer McCormick, who was reported killed in a crash a few weeks ago. He had flown his thirty trips over Germany and had been decorated for bravery, and then he had the sad misfortune to be killed while engaged at a training school in England. While paying this tribute to the courage of these young men and to the great work they have done, I repeat that I am confident that the country as a whole is proud in the main of the work of this particular department.

What I want to say to-night is not by way of criticism but rather to ask for information. Would the minister tell us whether there is any collaboration between his department and the Department of Transport in the location of training schools and aerodromes? We have heard of the great part that aviation will play in civil life when the war is over. Canada is spending vast sums of money on the construction of these schools, and it seems to me that

the taxpayers of this country have a right to expect that these schools, as far as military exigencies will permit, shall be so located that when the war is over they can become a part of a great government-owned commercial air service. But I have been informed that many of our government-owned training schools and aerodromes are being built in waste places where, when the war is over, they will probably be left to fall into dilapidation. I think we have a right to expect that there should be cooperation between the two departments in the location of these schools, and it has been suggested to me that, wherever possible, they should be located where they can easily form part of a government-owned commercial air service after the war.

The second point on which I should like information is this: To what extent does the minister's department collaborate with the Department of Munitions and Supply in the letting of contracts? Actually the only criticism I have heard of the service now under discussion pertains to the letting of contracts.

Mr. POWER: If I may answer at once, we do not let any contracts at all. The Department of Munitions and Supply are our contractors.

Mr. CASTLEDEN: Does the minister's department not give advice in the matter?

Mr. NOSEWORTHY: My question was that to which the minister has given answer, whether his department was responsible in any way for the letting of contracts.

A few weeks ago I visited one of the factories near Toronto, a comparatively small plant, and I found that it was working at that time on five different contracts. The walls and ceiling of that plant were littered with wings and other parts of planes made for types of machines which had been abandoned. I was told just this week-end that one of the plants near Toronto is now engaged in manufacturing a machine, many of the parts of which have to be brought from England. That appears to be handicapping to some extent the building up of our air arm, and I have heard a great deal of criticism on that point.

The third matter to which I would direct the minister's attention does not rightly belong to his department but is one in which I think he should be interested. We have a plant at Malton, situated fifteen or twenty miles from the city of Toronto. The roads to that plant are probably among the worst in Ontario. The Department of National Defence, the province of Ontario and the municipalities through which these roads run have been engaged ever since that plant was built in childish quibbling over whose responsibility it is to keep those roads in good repair. On the night of February 8 of this year those roads were snowbound, and on February 9 the plant was closed down entirely on account of the condition of the roads. During a light snow-storm just before the Easter recess, the last snowfall we had in Ontario, the roads to that plant were so impassable that an official of the company stated to me that 5,000 man-hours were lost because of the road conditions—enough time to build one aeroplane. I have a letter from a representative of three thousand employees in that plant, sent just a week ago, relating that as a result of the rains that had fallen the road to that plant was almost impassable. The wear and tear on tires and springs and the extra use of gasoline made necessary because of the nature of that road are something of which either the minister's department or some other dominion authority should take control. It is definitely hampering our war effort.

We heard an excellent appeal from one of our members that the men engaged in the air force should receive the best possible treatment the country can afford. With that I agree. I have heard from a number of the younger married men in the force who are concerned because the government has not granted to their wives and dependents a cost of living bonus. I should like to call that to the attention of the minister and ask him to let us know what consideration has been given to the matter. Unquestionably the dependents' allowance fixed for these men was fixed before the cost of living bonus came into effect. Since that date the cost of living has gone up; it is costing the wives of our airmen as much to live as it does the wives of our civilians, and there is a feeling abroad among the members of the air force that their wives are as much entitled to a cost of living bonus as are the wives of civilian workers.

There is one—final—matter to which I should like to call the minister's attention. This, I believe, comes under his department: I have had correspondence with his department on this matter. It pertains to the wages paid to a group of civilians known as messmen, employed by the air force. According to information from the minister's department these men are paid $50 a month, plus $1 a day subsistence allowance. From that the sum of $2.50 a month is deducted, I think for superannuation. These men get $78.50 a month. For three months following August, 1941, they received a cost of living bonus. Then it was discovered that their subsistence allowance had been increased at some time

since what is known as the basic period; and, after having this cost of living allowance for three months, it was cut off without notice, in October, 1941, and has not yet been restored. My correspondence from the minister's department states that representation has been made to the treasury board. Apparently the treasury board's interpretation of the conditions under which a cost of living bonus is to be granted precludes the department of air from paying that cost of living bonus. I should like to call the minister's attention to the fact that a great many of these men are returned men. Many of them are unable to serve their country in any other way; they went into this work feeling that here was one humble manner in which they could serve. My correspondence from the minister's department has this remark, which I am quite sure the minister himself will not approve. It calls attention to the fact that these men are receiving more than stenographers, typists and clerks in class grade I under the civil service commission. There should be no comparison between either the type of work these men are doing or the responsibilities that most of these men undertake—

Mr. POWER: That is not much of an argument, I will admit. Whoever wrote that letter is not very logical.

Mr. NOSEWORTHY: Many of them are returned men, and I think they are entitled to more consideration than stenographers and typists in the civil service.

Mr. POWER: I agree.

Mr. NOSEWORTHY: May we have the assurance of the minister that the plea of this group of workers will be given consideration?

Mr. POWER: I shall be very glad to. I hope I did not write that letter; I certainly would not want to write any letters in which I gave as an argument for a low wage to these men that they are getting as good a wage as stenographers and typists. I will not use that argument, anyway.

Mr. CASTLEDEN: Relative to the matter of which the minister spoke just now, regarding cooperation between his department and the Department of Munitions and Supply in the letting of contracts, I asked for a return with regard to the construction of an auxiliary airport in my constituency, and in the return, P.C. 9252, in giving a record of the proceedings, it is stated:

That following the receipt of tenders, the Department of National Defence (Air Service) has advised that an additional 20,000 cu. yds. of cut and fill would be required and that cedar shingles would be used throughout; and negotiations were carried on with Waterman-Waterbury Manufacturing Company Limited;

That this firm has offered to perform the additional cut and fill at a price of 35 cents per cu. yd. less a reduction of $490 for the change in shingles. This firm has also advised that there is an increase of $2,750 over the original tendered price owing to the lateness of the season.

Apparently it was on the advice of the Department of National Defence for Air that the contract price was increased by something over $9,000.

Mr. POWER: In all probability, if we required more work to be done we advised the Department of Munitions and Supply to get it done. We increased our specifications, I assume. That is done every day. If I must have 20,000 more cubic yards of fill, I simply tell the contractor to go ahead and do it. I do not know the cost.

Mr. CASTLEDEN: It was just in reply to the statement the minister made that he gave all contracts to the Department of Munitions and Supply and did not give any advice in regard to them.

Mr. POWER: I said that the Department of Munitions and Supply was our contractor. When we want a job done or when we want to buy something we simply turn it over to them and ask them to do it or to buy it for us, but we must at least specify what we want and the kind of thing we want and provide specifications of the buildings and the runways or whatever it is we require. We do not ask them to specify for us; we specify, and they carry out the contract.

Mr. CASTLEDEN: That is the very thing that an hon. member was asking here.

Mr. POWER: No, he did not. He asked me if we did the purchasing. We do not do the purchasing. We ask the Department of Munitions and Supply to purchase certain supplies for us, and they do so. If we ask them to manufacture aeroplanes for us, they enter into contracts with the aeroplane manufacturers. We do not go near the aeroplane manufacturers.

Mr. HANSON (York-Sunbury): You do the requisitioning.

Mr. POWER: We requisition; that is all.

Mr. NOSEWORTHY: Who is responsible for determining what type of aeroplane a certain factory shall make, and when it shall cease to make that type and start on another?

Mr. POWER: We are responsible for determining what types of aircraft we require. We requisition a hundred or a thousand aircraft of

a certain type, and my good friend the Minister of Munitions and Supply goes and gets them made wherever he likes, as far as I am concerned.

Mr. CARDIFF: First, I should like to congratulate the Minister of National Defence for Air upon the statement he made this afternoon about his department. I think he is to be congratulated upon the success of his department, and I sincerely hope that continued success will attend his efforts for the duration. Coming from a county that has four airports I am naturally air-minded, and I cannot say that the people in that county are not like the hon. member for Brantford City (Mr. Macdonald). I have not heard any complaints in the county of Huron about the nuisance of aeroplanes. In fact, we welcome the drone of the engine to put us to sleep. They fly constantly over my house and, since they are in the air they do not interfere with us on the ground. If Brantford wants to get rid of some of its training schools, the schools can easily be moved to Huron and we will accept them with the ones we have.

I want to ask just a few questions. Take a man being drafted to the army. If he prefers to enlist as a pilot, or elsewhere in the air force, can he be transferred?

Mr. POWER: Hitherto a draftee or trainee has had two months after joining the army in which to make up his mind whether or not he wishes to join the air force, provided we require a man of that particular category or that particular type. The request has been made by the army, however, that we no longer exercise that right since it is not likely that we shall be needing very many more men of types other than air crew.

Mr. CARDIFF: I understand then that after a man has been sixty days in the army he cannot be transferred into the air force. What has been done by the interdepartmental committee set up by the minister to coordinate all medical services in the army, the air force, the navy and the pensions department? Why have there not been regular meetings?

Mr. POWER: Is that in connection with the war expenditures committee's report?

Mr. CARDIFF: Yes.

Mr. POWER: I happen to know something about that committee, because at one time, when the present Minister of National Defence (Mr. Ralston) was away, there was some dispute between the air force and the army, and as I was a bit bothered about it I thought that the best thing to do was to dispose of the question in the old-fashioned, time-honoured way of setting up a committee. This committee turned out to be a good one. One of the members was a representative of the Department of Pensions; another represented the navy, another the army and another the air, and the committee functioned for the purpose not only of coordinating the work but of endeavouring to avoid duplication. I do not know that it was set up as any particularly stable and formal governmental body, but I do know that whenever the occasion requires, this particular committee functions. I do not remember having seen any reports within the last three or four months, but the Minister of Pensions and National Health says he has seen such reports. I do know, however, they were excellent, and in many instances they saved a great deal of duplication in different departments.

Mr. CARDIFF: They do keep reports of the different meetings?

Mr. POWER: Any time my department is interested I receive reports.

Mr. CARDIFF: Why are there separate medical offices and clinics and separate R.C.A.F. personnel, as well as Australian and New Zealand?

Mr. POWER: Australia and New Zealand are separate countries.

Mr. CARDIFF: But we have Australian pilots in our commonwealth air training plan, and so has New Zealand as well.

Mr. POWER: They attend the schools of the commonwealth air training plan in the same way as Canadians.

Mr. HANSON (York-Sunbury): The hon. member is asking if they have separate clinics of their own.

Mr. POWER: There is only one clinic.

Mr. CARDIFF: I mean, separate from the army and navy.

Mr. POWER: Oh; that is another matter. That involves a large question with regard to separate army and air force medical corps. There was a great deal of discussion at the time the air force decided to separate itself from the army in this regard. The experts inform us that there is a specialty in air force medicine. As far as ordinary medical care of the men is concerned, I suppose they could get along very well, but there is such a thing as air force medical specialty. They study such questions as air pressure, blackouts, the effect of high altitude on pilots and so on, and I am informed by our medical

people it is essential that we have special studies and special courses in medicine. I am speaking purely as a layman in that matter. It took a long time for me to become convinced that there should be a separate air medical corps, but after a considerable time and perhaps a great deal of pressure and a lot of argument I came to that conclusion. At that time I was Minister for Air, I was also acting Minister of National Defence, and it was a long time before I became convinced of the value of a separate air medical corps. Since then the knowledge, as well as the experience, which I have gained, leads me to believe that it was a very wise measure for us to take. I cannot give the medical reasons. The hon. member for Parkdale (Mr. Bruce), who knows more about it than I do, will possibly controvert the reasons which have been advanced by the men in the air force, but they are quite satisfied that the very best thing that could have been done for the air force itself was to have a separate medical corps.

Mr. CARDIFF: I appreciate that answer. Are the courses for training the same for the Royal Canadian Air Force, in connection with the commonwealth air training plan, as for the Royal Air Force?

Mr. POWER: The R.C.A.F. administers and manages the joint air training plan. All the pilots who now become members of the home war establishment of the R.C.A.F.—I think this is what my hon. friend means—go through the joint air training plan.

Mr. CARDIFF: Have these men the latest types of machines for their training, at each camp?

Mr. POWER: We have established certain types as being those required for training, some at the elementary schools, some at the service flying training schools, some at wireless schools and some at bombing and gunnery schools. Possibly someone else has developed better or more advanced types. I do not know, but my officers advise me that the planes we use are as good as any in the world for the purposes for which they are used.

Mr. CARDIFF: The only reason why I asked that question was that I understand they are getting new machines at Sky Harbour, though I have not had any report on the matter lately.

Mr. POWER: What is the name of Sky Harbour in my language? Is that No. 12 school at Goderich?

Mr. CARDIFF: The elementary training school at Goderich.

Mr. POWER: Some time ago we decided to use a new type, what is known as a low-wing monoplane called the Freshman, to replace the Fleets and Moths. This is because we believe it will be more convenient to have a low, single wing than what we had formerly. This is a change of type which was decided upon well over a year ago. It is now coming into production, but that does not mean to say that the Fleets and Moths, in which our men were trained formerly, are in any way unsafe or undesirable from the point of view of training. The new machines are perhaps a more modern type of training plane, but the Moths and Fleets are similar to the machines on which the British have been training for many years. The Freshman is a United States designed plane which will come into production very shortly.

Mr. CARDIFF: I have only one further question to ask the minister. Why does the R.C.A.F. need a special refrigeration and cold storage plant at manning pool, Toronto?

Mr. POWER: I have no idea whether they have or have not one.

Mr. CARDIFF: I have been informed that this cold storage plant is used to store garbage, which garbage is then sent to the piggeries. Is that correct?

Mr. POWER: I shall be only too glad to find out. I am sure the Minister of National War Services would be glad to learn that we took that much care of our garbage, and that we were saving our garbage for salvage all over the country. However, I shall certainly inquire.

Mr. HAZEN: There is a matter which, while not of vital importance, might well be given some consideration, so I should like to bring it to the attention of the minister. During the last war many young men who enlisted in the R.F.C. and the R.A.F. did not get overseas, though they completed their training in the aircraft of the day. There were many crashes. Many of these men suffered injuries and many were disfigured for life, but when they left the service they received no decoration or service medal of any kind. Some of them are again in uniform, but they are unable to show any indication of the fact that they were in the service in the last war of their own free will. Yesterday I received a letter about this matter which pretty well explains the situation, and I should like to read a portion of it to the minister:

> There is another complaint that has come to my notice several times lately. . . . This is the recognition of those men who volunteered for service in the last war and through no fault of their own did not get overseas. A

half dozen such men have mentioned this to me, mostly friends of mine in the R.F.C. or R.A.F. who rejoined the army or air force in this war and are not permitted to wear any service ribbon. Two of these are disfigured for life on account of air force accidents. Yet the government does not permit them to wear any recognition or ribbon, whereas boys who had a lovely trip and saw England but no war service can do so, although they did not go under any particular danger. . . . I feel flying those old Jennies, with all the crashes, represented as much danger, and yet I cannot wear even one ribbon. I was talking to-night with . . . He is medical officer in the air cadets, and I imagine later on will be asked to wear a uniform for certain inspections, etc. He is lame and broken nose and jaw, etc., due to crash in the camps last war. Yet he cannot wear a service ribbon of any kind. I think he should be privileged to do so, or any other who volunteered for service in 1917. There must be hundreds of such cases in Canada and it does not seem fair or right. Besides, I think it adds to a soldier's or officer's morale and prestige to be able to wear some recognition of the fact that he was in the service of his own free will.

This matter, which affects those who served in the last war, should, I think, be given consideration. I believe the same circumstances will arise at the end of this war. I realize the minister has a great many other duties to perform, but I would ask that he make a note of this point and see whether some recognition cannot be given these men.

Mr. POWER: So far as my recollection goes, the right to wear medals or decorations is a matter of royal warrant. I speak subject to correction, but I am under the impression that neither the Department of National Defence, the Department of National Defence for Air nor even the government of Canada has the right to specify the persons who may wear decorations from the last war. What the authority is in connection with this war I am unable to say, but I think I am pretty accurate when I say that this was all laid down by royal warrant or by a decree of the war office at the end of the last war. My colleague the Minister of Pensions and National Health says he thinks that was the case, but I shall be very glad to look into the matter for my hon. friend.

Mr. BRUCE: A moment ago the minister referred a question to me, and I should like to answer him. The medical problems connected with air service are highly specialized, and in my judgment warrant having a separate medical service. I think the minister for air is fortunate in having such a capable officer as Air Commodore Ryan as head of that service. He has spent many years in the study of the problems connected with air flights, and is thoroughly competent in every branch of that work. He has gathered around him an excellent staff of specialists which ensures that everything possible will be done that medical science can devise for the health and welfare of our airmen.

I might add that the late Sir Frederick Banting did a series of experiments in connection with flights, and particularly as to how changes in altitude and pressure affect airmen. He was taking the result of his work to England, when he met with the fatal accident. That work has been carried on by others, and I am informed that as a result a special apparatus is now about to be made, if it has not in fact already been completed, which will protect men doing the hazardous task of dive bombing. Formerly many of those men became unconscious while engaged in that operation. It is possible now to maintain pressure by the new apparatus in such a way as to prevent this disaster from happening. I have no doubt that it has been called to the minister's attention.

I wish to commend the minister for his discernment in the selection of the men he has gathered about him to do this particular work and in establishing a separate medical service for the air.

Mr. WARREN: The hon. member for Huron North discussed a question which reminded me of something that is happening at Petawawa camp. He spoke about garbage being kept in a refrigerator. I do not know anything about that, but I do know that at one of these camps the disposal of garbage was found most expensive. However, the authorities got busy, and during the past year they discovered a farmer about thirty miles away from the camp who succeeded in relieving the condition. This farmer was engaged in feeding hogs on an extensive scale. His pens passed inspection; and with the addition of new pens, the purchasing of a couple of trucks and the establishment of a boiling system at the camp, the garbage, instead of being handled at great cost, is handled under more favourable conditions. I believe that formerly the camp authorities had to arrange for digging trenches and burning the garbage. Under present conditions, however, it is boiled, and either once or twice a day it is taken to the farm. The man is feeding from 600 to 800 hogs. Instead of the refuse from the camp being wasted, that food is now being turned into bacon.

The farmer assures me that after being fed the garbage his hogs have made better gains than they did before from the feeding of grain, and his bacon receives a better grading. The waste food which was formerly thrown away is now being turned into thousands of pounds of pork. I do not know whether that

is being carried on in other camps across Canada, but certainly it is a plan worthy of consideration. In this particular instance it is working out exceedingly well. It is a great pity that good food should be wasted when it could be turned into bacon for shipment overseas.

Mr. TUSTIN: Are the Royal Air Force stations manned by Royal Air Force personnel part of the commonwealth air training scheme?

Mr. POWER: No.

Mr. TUSTIN: Are any officers of the Royal Canadian Air Force posted to any of those Royal Air Force stations?

Mr. POWER: The Royal Canadian Air Force has a kind of general control over the Royal Air Force schools, and it so happens that frequently—I cannot say the number of occasions—officers and men of the Royal Canadian Air Force are posted to Royal Air Force schools, in the same way that Royal Air Force men are frequently posted to us.

Mr. TUSTIN: Then, as I understand it, when the United States entered the war there were many United States citizens in the Royal Canadian Air Force. At that time they were given the option of remaining in the Royal Canadian Air Force or of being transferred to some service in their own country. I have in mind a specific case of a man who came from the United States, enlisted in the Royal Canadian Air Force and was given a commission. When the United States entered the war that officer applied to his commanding officer, and offered him his resignation. This was a Royal Air Force station, by the way. The resignation was accepted, but for some reason this man has been kept running back and forth between his home in the southern United States and Ottawa. He has had to run between the Royal Air Force station where he was stationed, and Washington; and for a period of three months—

Mr. POWER: Did this United States citizen happen to be a member of the Royal Air Force or the Royal Canadian Air Force?

Mr. TUSTIN: The Royal Canadian Air Force. He was kept running back and forth, and as a result was put to great expense for three full months before his discharge from the Royal Canadian Air Force became effective. Meantime he found himself unable to enter any of the services of the United States because—the minister shakes his head, but I have this on the authority of the man himself—the authorities at Washington could not take this man into the United States service until his discharge from the Royal Canadian Air Force became effective.

I bring this to the minister's attention because I believe that when a man comes from another country, offers his service and his life to fight for this country, and is then given the option of transferring back to his native land, it certainly does not reflect any gratitude on our part to place him in a position where he is kept out of all service and, as I understand, without pay, for a period of three months. I draw this matter to the attention of the minister in the hope that it will not recur in the future.

Mr. POWER: I should be very glad if the hon. member would in confidence send me the name of the officer, so that I could check up. But the whole question with respect to the return of United States officers and men in the Royal Canadian Air Force has been definitely settled. Negotiations went on for some time. I may add that from the moment the United States entered the war instructions were given in a broad and general way that, provided the United States government held out something for the individual to do, there would be no objection to the United States citizen returning to his own country.

Since then, I believe about two or three months ago, a general agreement was arrived at with the United States government whereby United States citizens serving in the Canadian forces who wished to transfer to the United States forces could signify their desire before a certain date, either the 1st of April or the 1st of May. As a consequence of this agreement a travelling board of officers of the United States forces is going through the country interviewing members of the forces to ascertain just how they will fit into the United States forces. Up to the present time, out of 4,451 United States citizens in the Royal Canadian Air Force, 1,961 have signified their desire to transfer to the United States forces. The cases of these men are being looked into by this travelling board of United States officers, to which I believe some of ours are attached.

Mr. GERSHAW: The minister has made it quite clear that there will be no new air schools built in the immediate future. However, quite often we see in the papers that the commonwealth air training scheme is to be expanded and new schools opened. This always brings up the question of where they are to be located. Some hon. members have complained about the roads to the schools; others have complained about the noise and about the taxes; but I can assure the minister that if there is any possibility of developing schools in a large portion of southern Alberta, there will be no trouble about roads and taxes and there will be nobody to kick about the noise.

There are places there which feel that they have been overlooked in the location of war activities. There are many places with good water facilities, and there are other sections where the government itself has land reserves, like Bassano, Bow Island and Foremost, in Alberta.

The minister stated that some of the present air schools may be enlarged. I hope, when that matter is being considered, he will take into account the success which has been achieved in certain schools. Sometimes we wonder why some schools are located where they are with the wind and snow and rough country and so on. Other schools with more suitable flying conditions have been able to show a greater number of flying hours. Would the minister suggest what the considerations will be in determining what schools will be enlarged?

Mr. COLDWELL: The minister has said that the general supervision of the R.A.F. establishments in this country was given to the R.C.A.F. I have heard boys who were in the R.C.A.F., serving at some stations with the R.A.F., complain that the food is not as good in the R.A.F. station as it is in our own. Apparently the food in our own establishment is excellent in every respect.

While I am on my feet I want to say how pleased I was to hear the minister say this afternoon that he hoped some steps would be taken to eliminate the distinction between sergeant pilots and pilot officers. I do not know if any other member of the party which was in England has mentioned this before, but when we were there we visited a bomber station one evening and met a number of pilot officers who approached us and asked us, when we had an opportunity, to endeavour to persuade the authorities to establish a joint mess. The officers and the sergeants flew together, lived together and sometimes died together, and yet when they got back to the base they were separated. They wanted a place where they could meet together, talk over operations and generally be comradely after the show was over. We took the matter up in London with Mr. Massey and, I believe, also with the British authorities. I am bringing this to the attention of the minister so that if nothing can be done in the other matter, that is with the imperial authorities, at least at our own stations some arrangement may be made whereby the sergeant pilots and the pilot officers can be together.

Mrs. CASSELMAN: I want to commend the minister for the enlistment of women in the R.C.A.F. I think this will help to solve the question of food wastage. He is enlisting trained dietitians who have been accustomed to buying and preparing and serving food in the proper manner, giving it to the men in the way that will appeal to their appetites. There is a dietitian in charge at the initial training school at Edmonton, and it has been found that there is little waste to feed pigs or anything else after the men have had their meals. I think it will be good for the health of the men to have skilfully prepared meals, and I look forward to there being less waste in the future, when trained dietitians are more fully in charge of this department.

Mr. EMMERSON: I should like to ask a question with regard to the difference in pay of men in the R.C.A.F. and men in the R.A.F. Is the difference in the pay of our men attached to the R.A.F. credited to their account, or is it paid to them during their service on the other side?

Mr. POWER: Credited to their account.

Mr. EMMERSON: Our pilots are trained with single and multi-engined planes, but is there any intention of training glider pilots in Canada? This has been done on the other side, and since it has been mentioned in the press, I think this information is public property.

Mr. POWER: The matter is receiving our most urgent consideration at the moment.

Mr. ROSS (St. Paul's): In view of the announcement made by the Minister of National Defence for Naval Services (Mr. Macdonald) about the sinking of a freighter in the St. Lawrence river, and in view of what has been said about cooperation among the navy and army and air force, would the minister care to say a few words?

Mr. POWER: We do cooperate on both coasts. Recently a supreme commander to coordinate the efforts of all three services has been appointed on each coast. General Elkins has been appointed on the east coast and General Alexander on the west coast.

Mr. GREEN: Has consideration been given to setting up an air command for the St. Lawrence region?

Mr. POWER: We have an eastern air command which covers the whole of our defensive aerodromes on the east coast, including the St. Lawrence river.

Mr. GREEN: Would it be better to have the St. Lawrence command separate?

Mr. POWER: I hardly think so.

Mr. ROSS (St. Paul's): I should like to express my appreciation of the manner in which the minister reviewed the activities of

the air force so comprehensively and without encumbering his statement with too much detail. His statement to-day, following the one he gave last fall, furnishes the basis for a few questions. But first I should like to pay tribute, like so many others have done, to the gallant boys of the Royal Canadian Air Force. Just in passing, I might say that I was at a service on Sunday of the Upper Canada college boys, and old boys, where it was announced that over 650 of the boys and old boys of the college are now in the service of their country.

An eloquent plea has been made by the hon. member for Peel and several other hon. members that the dependents of the boys in the air force should get the cost of living bonus. I heartily concur in their suggestion. I feel it is a great pity that there should be that gap following the time a man is reported missing during which no allowance is paid. It is the mothers of the boys who are joining the air force that I have particularly in mind. Remember, these lads in the air force are younger than the men in the army. We have persistently argued that a dependent mother should be treated, in the matter of allowance, in the same way as the wife, and it is a great pity that that so far has not been done. I know of a young lad in the air force whose mother has been supported by his brother and sister. They have their home, but the father is out of the picture. The boy in the air force is giving his mother $20 a month; I presume that is assigned pay. But now the brother who has been helping to support the mother has been called up. He had wanted to enlist but felt himself unable to leave his mother in her present circumstances. I do not know what will happen now, because there is only the sister left at home. It seems to me that we should not approach this question of an allowance from the point of view of giving charity or asking ourselves: What is the least we can get away with? But that is the way we are treating the mothers to-day, and it must be remembered that it is mostly the mothers who are the dependents of the young boys in the air force. I do not think we should consider how small an amount we can give to the mother who has been dependent on her boy who has joined the air force.

The Minister of National Defence asked the other day: "What are we depriving her of?" That seems to be the basis the government goes on. But I would point out that not only the mother I speak of, but many others are going to be deprived of $20 a month, plus the boy's assigned pay of $20 a month, and that is something which certainly should receive further consideration by the minister and the government.

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Another matter has been drawn to my attention. A mother had not heard from her son for a long time. She wrote to me, and I took the matter up with the minister's secretary. She did not know where to get hold of her son or how she could communicate with him. I received a letter from her to-day by special delivery. I am sure that there are many more mothers in her position, because the air force is so widespread in its operations that mothers have difficulty in knowing just where their sons are. This particular mother has not heard from her boy in the air force for seven months. I should be glad if the minister would tell the house and the country how that mother can reach her boy by cable in England or some other place. I have told her where she could write, but after not hearing from him for seven months she wants to send a cable.

Last year I put a question on the order paper with reference to the grounding of planes for overhaul and repair, and the minister gave an interesting reply. I have not the figures here, but he will no doubt remember. It would be interesting to know how much shorter is the period now required for overhaul and repair, with the modern methods and new equipment of to-day at the various schools. Perhaps the minister, without going into too much detail, would pick out a few types of planes and state for how long a period they now have to be grounded for overhaul and repair.

The special committee on war expenditures presented a report on "salvage" and said, referring to the chief salvage officer:

> The officer above referred to stressed the point that salvage is not chiefly a matter of disposal of waste goods but in the better sense is a saving of these goods by repair for further use.
>
> The board has only recently come into existence and its work has just commenced, and therefore the committee was not able to pass any final judgment on the work being done by this board, but is of the opinion that if the programme as outlined is carried out it should result in very substantial economies.
>
> It was indicated to the subcommittee that this board will function solely in the army, that it is somewhat of an experiment, and that should it prove successful, its programme would be extended to include the air force and the navy.

The people of this country, to-day particularly, in view of the shortage of oil, rubber and other products, want to see no waste, and I would ask the minister whether the air force is functioning in cooperation with this salvage board which has been set up.

Mr. POWER: We have a salvage organization of our own and, I understand, a very good one.

Mr. ROSS (St. Paul's): The suggestion in the committee's report was that the air force,

the army and the navy should all cooperate with this salvage board, and I was wondering whether that was being done by the air force.

Mr. CLAXTON: I have one hope which I should like to express to the committee and which I trust all members will share. It is suggested by two remarks which have been made during the course of this debate. The first was made by the minister, when in his fine speech he quoted the Right Hon. Malcolm Macdonald, British high commissioner, as paying high praise to the work of the Canadian air force, but, he added, we did not perhaps blow our own trumpets enough. The second remark was made by the hon. member for Davenport (Mr. MacNicol) when he referred to the exploits of Colonel Bishop and others during the last war. He said, quite properly, that they had electrified Europe. I have the feeling that the hon. member for Davenport would have liked to put his tongue to the names of some Canadian heroes of this war if they had come quickly to his lips. But the fact is that they did not, and I suggest to the committee that this brings home to us that we are not making enough of the heroes of the air on whom our whole survival depends to-day. This war is unlike any other war in this respect, that to-day our very existence, the existence and continuation of our institutions, depend not so much on great masses of armies working blindly, but on hundreds and thousands of individual feats of heroism such as have never been matched in the history of the world. I suggest to the committee that we have been carrying on a kind of a Maginot line attitude in respect of our acclaim for the men on whom we depend for our survival. Hon. members will remember that we began the war in a very drab way, without bands and without flags; we did not think they were necessary; we thought they were undesirable. We are finding out how wrong that was. But there is still a hangover in some respects, and I suggest that there is such a survival in respect of the attention being paid to particular exploits of individual heroism by our fliers. The fact that the hon. member for Davenport did not bring his tongue to the name of one Canadian pilot who distinguished himself in this way clearly proves what I have said.

We are proud of what our air force have done. We know that they are doing magnificent things. But I believe that we would be still more proud if we knew the individual exploits of individual fliers, if we knew how many planes they had to their credit. Not long ago I had to make a speech in the United States, and I thought it would be interesting to them if I could pay tribute to some of their great fliers,—O'Hare and others. I knew how many planes they had to their credit; and I made inquiries of the public relations officers of our air force to find the number of planes that Canadian fliers had to their credit, so that I could tell our United States friends and ask them to share our pride as we shared theirs. But I could not get the number of planes that Canadian fliers have to their credit, because the numbers are not given out, I was told, by the Royal Air Force.

Already we know that we have some magnificent heroes of the air. There is the man who came back only in the last few weeks and who is now in Ottawa, Larry Robillard, whose record as told in the newspapers is one of the most astonishing of this or any other war. I am informed that not half the story has been told to the newspapers; it cannot yet be told. There are people like Pilot Officer Dougall of Montreal; Pilot Officer Morin of Ottawa; Pilot Officer Blair Russell; Pilot Officer John Fauquier; Wing Commander Timmerman; Sergeant Duffield.

Mr. POWER: Pat Christie.

Mr. CLAXTON: Pat Christie, and dozens of others who are more or less known by reason of casual mention in the press, but whose names do not mean so much to us Canadians as do the names of the men that appear week by week in the great United States magazine *Life*. I suggest that is not good for us. We share the pride of the United States in the exploits of her sons. We need to have pride in our own, and in order to have that pride we must have knowledge. The knowledge must be related to the individual, and it must be given quickly, while the matter is new. I suggest to the minister that the whole machine for getting news from the fighting front into the minds and into the hearts of the people of Canada, who need the cheer which the tale of heroism will give, can well be improved. The importance of this is shown by the way in which our own hearts respond to the story of heroism whenever we hear it. Most hon. members must have heard President Roosevelt's great speech on April 28. They must have observed how the last third of his speech was not given to a discussion of great events, great battles; it was not given to a discussion of high policy. He told three simple stories of heroism. He told of Doctor Wassell; he told of the crew of the *Squalus*, and he told of Captain Hewitt T. Wheless. He closed his three stories by saying of the last named, Captain Wheless, "I hope he is listening"; and twenty or thirty or forty

million people listening in to President Roosevelt hoped that. Our hearts were cheered by those stories of heroism. We know that our own Canadian air force is the equal of any air force in the world. We have a right to be told about it, told about it freely, promptly and in a way which gives full credit to their exploits. It may be said of them as it was said of another fighting force by A. E. Housman:

> Their shoulders held the skies suspended,
> They stood, and earth's foundations stay.

Mr. POWER: May I thank my hon. friend for drawing my attention to that. I have often thought that we do not give the credit which we should give to these young heroes of the air force.

One reason is because of the British passion for anonymity. When I was over in England last year I did my very best to induce them to permit our press to get the latest possible news on the deeds of our men. I think the situation has improved to a considerable extent. It was with something of the same idea in mind as my hon. friend who has just spoken had, that I had a list compiled of the commanding officers of the Canadian squadrons overseas. There is hardly a child in this country who does not know the names of the generals, the officers commanding divisions, even officers commanding brigades in the army, but I am willing to wager that not one man in this house would be able to give me the name of one commanding officer of a Canadian squadron overseas; and the Canadian squadrons are doing the fighting. Therefore, with the permission of the committee—I have torn off the numbers of the squadrons, because we are not permitted to give the numbers—I will insert in *Hansard* the names of the officers commanding the Canadian squadrons overseas. It will be noted that all but four of them are either Royal Canadian Air Force or Royal Air Force Canadians:

Wing Commander H. W. Kerby, R.C.A.F.
Squadron Leader A. G. Douglas, R.A.F.
Squadron Leader R. E. Morrow, R.C.A.F.
Squadron Leader C. N. S. Campbell, D.F.C., R.A.F. (Reported missing 27-4-42)
Wing Commander P. H. Woodruff, R.A.F. (Can.)
Wing Commander J. E. Fauquier, R.C.A.F.
Wing Commander D. G. Morris, D.F.C., R.A.F.
Wing Commander A. C. Brown, D.F.C., R.A.F. (Can.)
Wing Commander A. C. P. Clayton, D.F.C., R.A.F. (Can.)
Wing Commander P. Y. Davoud, R.C.A.F.
Squadron Leader M. Lipton, R.C.A.F.
Squadron Leader R. B. Newton, R.A.F.
Squadron Leader R. C. Weston, R.C.A.F.
Wing Commander J. D. Twigg, R.C.A.F.
Wing Commander D. M. Smith, R.C.A.F.
Wing Commander E. L. Wurtele, R.A.F. (Can.)
Squadron Leader L. V. Chadburn, R.C.A.F.
Squadron Leader P. B. Pitcher, R.C.A.F.
Wing Commander G. H. Gatheral, R.A.F.
Wing Commander J. Fulton, D.F.C., A.F.C., R.A.F. (Can.)
Wing Commander D. A. R. Bradshaw, R.C.A.F.
Squadron Leader F. W. Kelly, R.C.A.F.

Mr. McNIVEN: Is that right from the beginning?

Mr. POWER: I have them only for the present time.

Mr. ROSS (St. Paul's): The minister suggested last fall in the House of Commons that he would issue a bulletin. I was reading it to-day, and I wondered why he stopped it.

Mr. POWER: Unfortunately we receive our bulletins a little too late so that they are no longer news. They are not what is called "hot news." I should like to give a sample of these bulletins to indicate the work done by some Canadian squadrons overseas. I happened to be reading one last night, and I said to myself that if the opportunity presented itself I might give some of the highlights to the house. This is a Spitfire squadron, and the period mentioned is 12-4-42 to 26-4-42; that is twelve days. During those twelve days their operational flying time was 442 hours, and the number of pilots—the Spitfire is a single pilot machine—is only twenty-three. I figured it out, but I have not the figure at the moment. That makes—

Mr. COLDWELL: Twenty hours each.

Mr. POWER: Yes. I find in the bulletin, for example, under date of April 12, convoys carried out. April 13, aircraft were scrambled to such and such a place. April 14, aircraft part-time formation flight over France, in such and such an area. April 15, 20,000 in the air, five miles inside the French coast, so-and-so's engine failed and he landed safely at such and such a place across the channel. April 16, squadron with wing acted as escort cover to eight Hurricane bombers whose target was Dunkirk. April 17, squadron acted with wing as close escort to six Boston bombers whose target was a parachute factory at Calais. April 18, a wing sweep to such and such a place, recrossing the coast at such and such a place. April 19, convoy patrols carried out. April 24, a sweep of such and such an area was performed. April 25, a squadron acted as escort cover to eight Hurricane bombers. April 26, squadron acted as escort cover to nine Bostons whose target was such and such a place; and so forth. There are two pages of it;

they are out every day. We do not hear a word about it, and this particular squadron is composed of an air crew 95 per cent Canadian and ground crew of 92 per cent Canadian. It is unfortunate, I submit, that it is not possible for us to give a more detailed story of the deeds of these young men who are carrying on in our behalf.

Mr. JACKMAN: When I visited the old country last November I gathered that the R.A.F. does not wish to publicize the deeds of individual aviators or individual members of the air crew because, if they do, it will tend to weaken the esprit de corps in the rest of the personnel of the force. Does the minister agree with the official R.A.F. point of view, or does he agree with the point of view that I would put forward, namely, that the publicizing of individual exploits would do a great deal to build up the morale not only of the R.A.F. or the R.C.A.F., but of the people generally. Will the minister fight for a change-over generally as far as R.C.A.F. pilots and aircrew are concerned?

Mr. POWER: I definitely and most emphatically disagree with the air ministry, perhaps by reason of our education and our proximity to the United States. The fact is that we are a people who read headlines, though perhaps we do not read enough of what appears under the headlines. At any rate, we make our heroes readily. We can learn to love or hate a person when we are not particularly interested in institutions. The R.A.F. as R.A.F. or the R.C.A.F. as R.C.A.F. does not mean much to us, but O'Hara, or O'Shea, or Corbett—

Mr. MacNICOL: Or Mackenzie.

Mr. POWER: Yes, or any name like that, means a lot to us, and, as I say, perhaps because of our Hollywood upbringing, we are prone to read headlines. It may not be our fault; it may not be logical. However, we must take the people of Canada as we find them; and I sincerely believe that, to the utmost of our ability, we should make heroes of those of our boys who are heroes, for the sake of the morale of the air force and particularly for the sake of the morale of the Canadian people, who probably need it more than the air force does.

Progress reported.

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

[Mr. Power.]

Wednesday, May 13, 1942

The house met at three o'clock.

SHIPPING LOSSES

SINKING OF SHIP IN ST. LAWRENCE RIVER AS A RESULT OF ENEMY ACTION

Mr. J. S. ROY (Gaspe): Mr. Speaker, on a question of privilege, as the representative of the constituency of Gaspe I should like to ask whether or not it is the intention of the government to comment on the statement released to the press yesterday concerning the sinking of a cargo ship in the St. Lawrence river as a result of enemy action.

Mr. SPEAKER: That is hardly a question of privilege.

STANDING COMMITTEES

AGRICULTURE—CONCURRENCE IN FIFTH REPORT

Mr. W. G. WEIR (Macdonald) presented the fifth report of the standing committee on agriculture and colonization, and moved that the report be concurred in.

Motion agreed to.

BANKING AND COMMERCE—CHANGE OF PERSONNEL

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

That the name of Mr. MacInnis be added to the standing committee on banking and commerce.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

R.C.A.F.—SPARE PARTS

Mr. JACKMAN:

1. How many planes of the Royal Canadian Air Force are grounded for lack of spare parts as of February 28, 1942?
2. Has the schedule setting forth the requirements for spare parts been increased or decreased recently?

Mr. JACKMAN: With the permission of the house I should like to withdraw this question.

Mr. SPEAKER: Dropped.

DEPUTY MINISTER OF NATIONAL DEFENCE FOR AIR

Mr. MacINNIS:

1. Is S. L. de Carteret, deputy minister of National Defence for Air?
2. If so, (a) when was he appointed, (b) what is his present salary?
3. What was his business, trade or profession before accepting his present position with the government?

4. Does he continue active connection with his former business, trade or profession while in the employ of the government?

5. If so, what part of his time is given to his duties with the government and what part to his former business?

Mr. POWER:

1. Yes.

2. (a) February 1, 1941; (b) No salary or allowance from the government.

3. Mr. S. L. de Carteret, Vice President and General Manager, Canadian International Paper Company; President, Continental Paper Products Limited; President, Masonite Company of Canada Limited; President, International Fibre Board Limited.

4. Yes.

5. Full time service with the government and a portion of his spare time thereafter is devoted to the general supervision of his former business.

NATIONAL WAR LABOUR BOARD

Mr. COLDWELL:

(a) How many cases concerning wage increases or bonus payments have been before the national war labour board to date; (b) how many of these were brought before the board through applications by employers and how many through applications by employees; (c) how many wage increases have been granted by the board on employers' applications and how many on applications filed by employees; (d) how many bonus payments or increases have been granted to each of the two groups of applications; (e) what in each case were the grounds for granting the applications and what were the grounds for refusal in those cases where the application was rejected?

Mr. MITCHELL: (a) From the establishment of the National War Labour Board to May 6, 1942, one hundred and fifty-two applications have been received. Findings have been made in ninety-six cases, of which seventy-five had relation to wage increases or cost of living bonuses.

(b) Of the seventy-five applications dealt with, fifty-three were initiated by employers, ten by employees and twelve were made jointly by employer and employee representatives. Of these applications, sixty-three had relation to wage increases and twelve to cost of living bonuses.

(c) Wage increases, in whole or in part, were granted in forty applications filed by employers, in nine applications originating with employees and in twelve cases in which joint applications were made. In one employer and one employee application in connection with wage changes, application was refused.

(d) Cost of living bonus payments or adjustments were authorized in ten applications originating with employers. In one application for relief from payment of additional bonus, the application was granted under the provisions of section 13 of the order. In one application by employer to adjust bonuses, permission was refused.

(e) In twenty-six applications filed by employers, in one by employees and in seven jointly made, wage increases were approved under the terms of clause 11 (2) of the wartime wages and cost of living bonus order, as existing wages were found to be low compared with wage rates generally prevailing for similar work in like localities.

In two applications by employees wages were found to be low, and the board ordered an increase in some occupational classifications and wages were found to be not low in other classifications.

In two applications by employees wage increases were granted in part but not in full in order to bring basic rates into conformity with rates generally prevailing for similar work in like localities.

In one employee application an increase in basic wage rate was refused by reason of the fact that existing rates were not low within the meaning of the order.

In one application filed by employer proposed changes in salesmen's compensation plan was refused, the proposal being regarded as being in contravention of the provisions of the order.

In fourteen applications (with the concurrence on behalf of employees affected in cases where collective agreements were in effect), wage increases were approved in order that basic wages to employees in Canada might conform with rates being paid by the applicant companies to employees in comparable employment outside of Canada under collective agreements or by established practice. In all such cases it was stipulated that cost of living bonuses would not be paid.

In five applications by employers overtime payments were approved when employees were required to work more than the number of hours constituting a normal week's assignment.

In one joint application a wage increase was approved to take the place of piece work rates.

In one employer application a range of wage rates submitted was approved as not being excessive and having been in effect prior to the date of the order.

In one employer application standardization of basic wage rates was approved for air pilots employed in pooled operations.

In one joint application, following a collective agreement, permission was given to apply a bonus on an equivalent hourly rate basis, exclusive of overtime.

In ten applications originating with employers, payments of cost of living bonuses were approved on the ground that such payments would be "fair and reasonable" under the provisions of section 12 (b) of P.C. 8253.

In one application by an employer to be relieved of payment of additional cost of living bonus the application was granted on the basis of submissions that the undertaking in question was being conducted at a financial loss.

In one employer application for permission to make adjustments in cost of living bonus, the application was refused because proposed adjustments were inconsistent with the terms of the order.

COLONEL BELCHER HOSPITAL BUILDING, CALGARY

Mr. HANSELL:

1. How many years has the Colonel Belcher hospital occupied its present quarters on 8th Avenue West, Calgary?
2. Does the government own this building?
3. If so, when was it purchased and what was the purchase price?
4. If not, what is the yearly or monthly rent, and what is the total rent paid since it was first occupied?
5. What has been paid in addition to rent, for any and all alterations, or other matters, connected with the occupancy of this building?

Mr. HOWE:

1. Since July 1, 1926.
2. No.
3. Answered by No. 2.
4. (a) $17,404 per annum for a total floor area of 22,076 square feet from July 1, 1926, to December 31, 1927. $22,750 per annum for a total floor area of 28,016 square feet from January 1, 1928, to November 21, 1929. $26,730 per annum for a total floor area of 37,016 square feet from November 22, 1929, to March 31, 1938. $17,820 per annum for a total floor area of 37,016 square feet from April 1, 1938, to date. Previous to April 1, 1938, any increase in taxes over the 1926 rate levied by the city after July 1, 1933, was paid by the crown. Since April 1, 1938, all taxes are paid by the lessor. (b) $371,305.15 including taxes paid by the crown.
5. Improvements and repairs, $32,978.01. Sundry supplies and maintenance, $1,819.56.

WARTIME HOUSING LIMITED—SALARIES AND EXPENSES

Mr. NICHOLSON:

What amounts have been paid to the general manager and directors of Wartime Housing Limited to date as: (a) salary, (b) expenses?

[Mr. Mitchell.]

Mr. HOWE:

	Name	(a) Salary	(b) Expenses
	J. M. Piggott	Nil	$2,856 89
(*)	V. T. Goggin	$10,547 84	2,304 19
	W. L. Somerville	Nil	463 11
	Charles David	Nil	755 04
	Major W. E. Tibbs ..	Nil	616 85
	Hedley C. Wilson	Nil	538 20
	Ernest Ingles	Nil	Nil
	Robert J. Gourley...	Nil	Nil

Note:—(*) is for period March 10, 1941, to March 31, 1942. All other figures are for the period from date of incorporation to March 31, 1942.

STEEL PRODUCTION AND CONTROL

Mr. CASTLEDEN:

1. What steps are taken under the steel controller to allocate the available supply of steel to the various war industries?
2. What is the total tonnage capacity of the steel furnaces and castings from foundries in Canada for 1941 and 1942?
3. What was the total in tons of the production from the steel furnaces and castings from foundries in 1941?

Mr. HOWE:

1. Mill rolling schedules are supervised, to provide continuity of steel supply for production of articles for direct war purposes, and arrangements made for steel required for plant expansion for war purposes to synchronize with actual use. Production for other indirect war purposes and essential civilian uses is scheduled to best advantage without interference with direct war needs.

2. Rated capacity for steel ingots is more or less nominal and does not furnish an accurate guide as to production, as this exceeds the rating in many cases and may be less where more difficult steels are involved. In respect to castings, production depends upon the nature of the castings to be produced, the size and weight, carbon or alloy steel, and other factors.

3. Production in 1941: Steel ingots, 2,583,253 net tons; steel castings, 123,248 net tons; grey iron castings, 351,809 net tons; malleable castings, 75,395 net tons.

BOOKLET "JASPER NATIONAL PARK"

Mr. MACDONALD (Halifax):

1. Did Canadian National Railways in 1941 issue a booklet entitled "Jasper National Park"?
2. If so, how many copies were printed and at what total cost?
3. Were tenders called for this work?
4. If so, who submitted tenders and what figure was submitted by each tenderer?
5. Who was the successful tenderer?

Mr. HOWE:

1. Yes.

2. 61,805 copies; total cost $6,723.93.

3 and 4. Tenders were called in 1940, and in reprinting for 1941, contract was negotiated and closed with Mortimer, Limited, Ottawa, who were lowest tenderers.

5. See answer to 3 and 4.

SCARCITY OF BEEF

Mr. LACOMBE:

1. Considering the large increase in the export of beef by Canada to the United States since January, 1942, does the government intend to impose an embargo on such exports?

2. In view of the beef scarcity in the principal cities in eastern Canada, will the government take all necessary steps to relieve the present situation?

Mr. GARDINER:

1. The government will announce its policy from time to time.

2. Supplies of beef in eastern markets have increased during the last two weeks and are expected to increase further following the completion of the export quota to the United States.

W. J. SMITH

Mr. WRIGHT:

1. Is W. J. Smith, former sheriff of Shaunavon district, employed by the Department of Agriculture in any capacity?

2. If so, what remuneration was paid him during the past fiscal year for (a) salary, (b) expenses?

Mr. GARDINER:

1. No.

2. Answered by No. 1.

NATIONAL STEEL CAR CORPORATION—
MARTIN BOMBERS

Mr. NOSEWORTHY:

1. On what date was the National Steel Car Corporation at Malton authorized to proceed with the production of Martin bombers?

2. Was this authorization given by the Canadian or British government authorities?

3. On what date was this project abandoned?

4. How many man hours of time were spent on this project?

5. What was the total public expenditure on this undertaking?

6. What were the financial arrangements with the abovementioned company for this undertaking?

7. How many Martin bombers were there produced?

8. Why was the project abandoned?

Mr. HOWE:

1. April 26th, 1941.

2. Canadian government authorities.

3. Advance notice of cancellation was given on November 26th, 1941. Final cancellation was given on December 29th, 1941.

4. An audit has not yet been made on this project and man hours have not been determined.

5. The total expenditures on this project is $781,907.37 a considerable amount of which is recoverable as follows: (a) By usage of material bought for the Martin B-26 contract on the Lancaster bomber contract let to the National Steel Car Corporation; (b) By the sale of jigs and tools not useable on Lancaster bomber contract.

6. The contract placed by the department with the National Steel Car Corporation was a target price contract.

7. None.

8. The manufacture of the Martin B-26 in Canada was abandoned because it developed that a very substantial amount of re-engineering had to be done before the plan would be satisfactory—involving perhaps six months delay. Meanwhile the United Kingdom government was pressing us to build a new four-engine bomber and as an inducement agreed to provide us with all required Martin B-26's from the United States earlier than we could produce them in Canada.

*RUBBER, GASOLINE AND OIL SHORTAGE—
OTTAWA EXHIBITION

Mr. BRUCE:

1. Is there a shortage in Canada of rubber for military purposes?

2. If so, how serious is this shortage?

3. Is there a shortage of oil and gasoline?

4. Will the government urge upon the directors of the Ottawa exhibition association to cancel their fair this year?

Mr. HOWE: Perhaps I could answer this question orally. There is no present shortage of rubber for military purposes, although our supplies of course are limited. There is a shortage of gasoline. As to question No. 4, government policy will be known in due course.

Mr. HANSON (York-Sunbury): In the course of his statement on the resolution now before the house, would the minister be good enough to give the country a little more extended report on the gasoline situation? There is no doubt that the curtailment is substantial, and the people ought to understand why. I am not at all disagreeing with the curtailment that has been made, but the position might be elaborated a little to show how it is going to work out and how serious the situation is.

Mr. HOWE: I shall be very glad to do that.

DIRECTOR OF SALVAGE

Mr. NICHOLSON:

1. Has the government information as to the salary formerly paid to Mr. LaFerle, director of salvage, as traffic manager for the Robert Simpson Company?
2. If so, what salary was paid?
3. Is Mr. LaFerle carrying on his duties for his former employer? If so, at what salary?

Mr. THORSON:

1. No.
2. See answer to 1.
3. No; he is a full time employee of the Department of National War Services.

CANADIAN SHIPPING LOSSES—USE OF EIRE BASES

Mr. CHURCH:

1. What has been the estimated loss, since the war began, of Canadian shipping in tons, and also in lives, of Canadian nationals or soldiers, off the coast of Eire during this war?
2. What Canadian ships have been lost in that zone?
3. What is being done to secure the immediate use of these empire bases?

Mr. MACKENZIE KING:

1. It is not deemed in the public interest to give information regarding losses of ships and men in particular theatres of war, or with respect to the use of empire bases.

2 and 3. Answered by No. 1.

SUPPLY OF PLANES TO NEUTRAL COUNTRIES

Mr. COLDWELL:

1. Have any planes, particularly Fleets 16, been supplied since June 1, 1941, to countries which were, or are, neutral?
2. If so, to what countries and in what numbers?

Mr. MACKENZIE KING:

1. Since June 1, 1941, one export permit has been granted for the export of aircraft from Canada to countries other than the British Empire and the United States. The permit in question was granted on August 23, 1941, and covered eighteen Douglas bombers owned by the Royal Norwegian Air Force and sold by them to the government of Peru. The planes were at no time the property of the government of Canada, and were only exported after being found unsuitable for the purposes of the R.C.A.F. and R.A.F., to whom they were first offered when the Royal Norwegian Air Force found them not suited to their requirements.

2. Immediately prior to June 1, 1941 (on May 29), an export permit was granted for the export of ten model 16 fleet trainers to Portugal for the use of the Portuguese navy. This export was made, following consultation with the government of the United Kingdom, in view of the friendly relations existing with Portugal.

It would not be in the public interest to disclose the extent and nature of aircraft exports to the United States.

INDUSTRIAL DISPUTES—CALLING OUT OF ACTIVE MILITIA

Mr. BLACKMORE:

1. At what dates since 1915 and in what localities has the Canadian active militia been called out by order of the governor in council or otherwise, for the purpose of quelling riots or disturbances arising from industrial disputes?
2. In each case, out of what particular dispute did the riot or disturbance necessitating that the militia be called out, arise?
3. What were the immediate causes of the disturbance in each case?
4. What were the general causes of the disturbance in each case?
5. If the disturbance resulted from a strike, what were the causes and the final result of the strike?
6. In what cases (if any) did the disturbances relate to political matters and discontent with government?
7. What overt acts were committed by the persons responsible for the riot or disturbances?
8. What was the strength of the militia force on each occasion?
9. For what length of time was the militia on duty on each occasion?
10. Where was the militia force which was called out on each occasion stationed before the disturbances; after the disturbances?
11. How many casualties (if any) resulted on each occasion that the militia was called out, among militiamen? Among civilians?
12. How many arrests were made of alleged rioters, et cetera, on each occasion that the militia was called out in this way?
13. What were the charges laid against each arrested person on each occasion?
14. How many convictions were made of those arrested on each occasion? Where were the trials held? Are there reports of these trials?

Mr. RALSTON: I want to ask the hon. member who has placed this question on the order paper if he really thinks we should go back twenty-seven years to discover not only the instances in which the active militia has been called out but also the particular dispute; the immediate causes of the disturbance; the general causes of the disturbance; whether there was a strike; the result of the strike; whether it related to political matters; what overt acts were committed by the people responsible for the riots or disturbances; the strength of the militia unit on each occasion; the length of time the unit was on duty; where was the military force which was called out stationed before and after the disturbance; how many casualties resulted, including militiamen and civilians; how many arrests were made on each occasion; the charges laid against each person; the convictions made, where the trials were held and whether or not there are reports of such trials.

Some hon. MEMBERS: Dropped.

Mr. BLACKMORE: In view of the fact that questions play such a large part in our proceedings in this house, I think I am perfectly justified in asking for that information.

Mr. RALSTON: I did not catch what my hon. friend said, but I do suggest that before this is made an order for return the hon. member might give it further consideration. We are doing other things than examining the records for twenty-seven years back to get details such as these. I submit to my hon. friend that on the face of the question at least, in a period such as this, he is putting upon the department unjustifiable work which would take an unjustifiable amount of time.

Some hon. MEMBERS: Dropped.

Mr. BLACKMORE: I do not think it should be dropped. It might stand.

Question stands.

USE OF STEEL IN BUILDING FOR J. FRANCESCHINI

Mr. FRASER (Peterborough West):

1. Has the priorities branch of the Department of Munitions and Supply issued permits for steel to be used in the construction of a building or a house for J. Franceschini, recently released from internment?

2. If so, how much steel has been allotted to this building?

Mr. HOWE:

1. No.

2. Answered by 1.

EXPORTS TO JAPAN AND TURKEY

Mr. ROY:

1. Did Canada export any cereals, metals or other products to Japan and Turkey in 1940 and 1941?

2. If so, what quantity of each commodity has been exported to these two countries and when?

Mr. MacKINNON (Edmonton West): In keeping with the policy announced by the Minister of Trade and Commerce in the House of Commons on February 2, 1942, page 201 of *Hansard,* information is not available concerning the Canadian imports and exports of commodities by countries during the war period.

EXPORTS TO SPAIN

Mr. ROY:

1. Did Spain import any cereals or metals from Canada in 1941?

2. If so, what quantities of wheat, nickel, aluminum and other metals, and scrap iron, were exported to Spain during the first six months of the year, and what quantities during the last six months?

3. Since January 1, 1942, have there been any exports from Canada to Spain and if so, what were they, and in what quantities?

Mr. MacKINNON (Edmonton West): In keeping with the policy announced by the Minister of Trade and Commerce in the House of Commons on February 2, 1942, page 201 of *Hansard,* information is not available concerning the Canadian imports and exports of commodities by countries during the war period.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CONSCIENTIOUS OBJECTORS—EMPLOYMENT IN WAR INDUSTRIES OR SERVICE IN WORK CAMPS

Mr. CRUICKSHANK:

1. What is the government's position in respect to the employment of conscientious objectors on wartime projects?

2. Are any of such persons employed in war industries and projects and do they receive the regular rates of pay?

3. If any of the above class of military age are employed in war industries may they now be called upon to serve in a work camp for the duration of the war under section 20 of the National War Services Regulations, 1940 (Recruits) (Consolidation 1941)?

GASOLINE RATIONING

Mr. DIEFENBAKER:

1. How many gallons of gasoline were sold in Canada (a) by retail, (b) by wholesale, in each of the years 1938 to 1941 inclusive?

2. (a) How many gasoline ration books have been issued to date; (b) what is the number in each category; (c) how many gallons may be purchased per month or year in each category?

3. If the limit permitted under the ration books issued to date was in fact purchased during the year what would be the consumption of gasoline during the year commencing April 1, 1942?

4. What amount of gasoline does the oil controller estimate will be consumed during the year commencing April 1, 1942, by persons or companies who are not required to have ration books?

CONTRACTS FOR SALE OF USED LUBRICATING OIL

Mr. PERLEY:

1. What contracts have been placed or let for the bulk sale of used lubricating oil at each of the air training centres and army training centres in the province of Saskatchewan?

2. What persons or firms have such contracts and what are the terms of each?

COMMITTEE ON RECONSTRUCTION

Mr. DESMOND:

1. What are the names and qualifications of the individual specialists who have been engaged by the committee on reconstruction headed by Dr. James, and what remuneration is paid to each?
2. Will their reports be published?
3. Will their reports be made available to the House of Commons?

Mr. McLARTY: Return tabled.

ECONOMY IN USE OF PAPER

Mr. BRUCE:

1. Does the government consider there is any shortage of paper in Canada, (a) at the present time; (b) likely to be in the future?
2. Have any steps been taken to ensure economy in the various departments of the government and, if so, what steps have been taken?
3. Is the government aware that literature is being sent out from the Department of Public Information, in triplicate?

WAGES OF JOURNEYMEN CARPENTERS, PAINTERS AND PLUMBERS

Mr. ROY:

What are the scales of wages paid to journeymen carpenters, painters and plumbers employed by the Departments of Public Works and National Defence?

LABOUR CONDITIONS

LOCKOUT AT KITCHENER, ONTARIO—DUMART PACKING PLANT

On the orders of the day.

Mr. CLARENCE GILLIS (Cape Breton South): Following my question of yesterday with reference to the dispute in the Dumart plant, may I ask the Minister of Labour whether it is true that at a meeting in Kitchener yesterday the management refused to agree to any kind of arbitration and also refused to reopen the plant? Is the minister prepared to make any further statement on the matter?

Hon. HUMPHREY MITCHELL (Minister of Labour): I think I can make a statement on that matter. My hon. friend will appreciate that I have just returned to the city, but I can say this. In the first place there was an illegal strike called in Kitchener the day before yesterday.

Mr. HOMUTH: An illegal strike?

Mr. MITCHELL: Owing to the discharge of two employees. The department immediately sent a conciliator there in an endeavour to compose the differences. The company at the moment takes the position that these men are discharged.

What the hon. member says about arbitration is quite true. The plant will be opened and the management will take back whoever in their judgment should be taken back. The men did ask that they be permitted to go back without any discrimination. My hon. friend may rest assured that so far as the department is concerned every effort will be made to compose the differences in that plant.

Mr. MacINNIS: Was there not a lockout at the Dumart plant, and will the Department of Labour refer this matter to the Department of Justice for proper action, as was done in connection with the Midland shipyard strike?

Mr. MITCHELL: My hon. friend may have more information than we have on that.

Mr. MacINNIS: It is your department.

Mr. MITCHELL: When I said it was an illegal strike, I meant that it was an illegal strike. My hon. friend can call it a lockout, but I do not think it is.

Mr. MacINNIS: Can these employees go back?

Mr. MITCHELL: I have given the assurance to the member for Cape Breton South (Mr. Gillis) that anything and everything that our department can do to compose the differences will be done. The hon. member for Vancouver East (Mr. MacInnis) appreciates the difficulty of labour negotiations and that sometimes, when you are almost on the point of composing differences, questions are asked in the House of Commons that make it very difficult to bring about a settlement.

Mr. MacINNIS: Who is making it difficult?

Mr. MITCHELL: I am not suggesting that the hon. member is.

JAPANESE NATIONALS

INQUIRY AS TO MOVEMENT OF MALES FROM PACIFIC COAST TO CAMPS

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I wish to direct a question to the Minister of Labour. Will he state when Japanese males will be moved from the Pacific coast to fill the camps now prepared and capable of accommodating several hundred men?

Hon. HUMPHREY MITCHELL (Minister of Labour): As soon as these camps can be filled they will be filled, but the British Columbia security commission advises me that priority is being given to the movement of Japanese to the beet fields in Alberta and Manitoba, and further, that they expect to have the camps filled by the end of this month.

Mr. CRUICKSHANK: May I ask a further question?—because I am particularly interested in view of what has happened on the eastern coast. Am I to understand that the sugar interests are to have priority over the safety of the Pacific coast?

Mr. MITCHELL: I would say that public opinion generally throughout British Columbia is in favour of having the Japanese moved from that province.

Mr. CRUICKSHANK: The camps are empty.

Mr. MITCHELL: Just a moment. The British Columbia security commission advises me that it is moving with all expedition, in conformity with public opinion in British Columbia, giving priority to the movement of Japanese to the beet fields in Manitoba and Alberta. So far as the big interests are concerned, they have no voice and no decision in the matter.

Mr. HOMUTH: And no jobs.

Mr. MITCHELL: I would not like the impression to go out that the big interests have anything at all to do with the matter.

Mr. CRUICKSHANK: Mr. Speaker, on a question of privilege, I never mentioned the big interests. I do not want something put into my mouth by the minister. I am quite capable of speaking for myself. I said the sugar interests.

FOREIGN POLICY

GENERAL DE GAULLE, EIRE, AND THE VICHY GOVERNMENT

On the orders of the day:

Mr. T. L. CHURCH (Broadview): May I ask the Prime Minister to tell later what his foreign policy is regarding recognition of General de Gaulle, Eire and the Vichy government?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The government's foreign policy is to do everything possible to win the war and not to do anything to prevent that end from being attained.

CANADIAN ARMY

REFERENCE TO STATEMENT OF HON. MR. HANSON AS TO EXTENSION OF TRAINING PERIOD

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, referring to the statement of the hon. leader of the opposition (Mr. Hanson) at page 2203 of *Hansard* to the effect that he had recommended the extension of the period of training from one month to four months and had got credit for it, I wonder if that is officially and technically correct.

INQUIRY AS TO POST-DISCHARGE BENEFITS PENDING EMPLOYMENT

On the orders of the day:

Mr. J. W. NOSEWORTHY (York South): May I be informed, please, how many men with dependents and how many single men, discharged from this war, are now in receipt of post-discharge benefits pending employment?

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. This is a question that should properly be placed on the order paper.

SHIPPING LOSSES

ANNOUNCEMENT OF SINKING OF SECOND SHIP IN ST. LAWRENCE

On the orders of the day.

Mr. J. R. MacNICOL (Davenport): May I ask the Minister of National Defence for Naval Services whether the rumour is true that another ship has been sunk in the St. Lawrence?

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Mr. Speaker, I had intended to make a statement on that matter and rose for that purpose, but yielded the floor to my hon. friend.

Yesterday I gave a statement to the press declaring that a freighter had been sunk in the St. Lawrence river by an enemy submarine. That statement was completely accurate according to the information at that time in my possession or in the possession of the department. I also stated that it would not be the policy to make an announcement of any future sinkings in this area, in order that information of value to the enemy may be withheld from him. That is the policy I must pursue. But inasmuch as the whole event really constitutes one incident, I think

I should tell the house that another ship was sunk in the same general locality, at about the same time. While in future I must stand by the statement made yesterday, that we are not going to give information to the enemy which may be of assistance to him, nevertheless, these ships having been sunk in about the same waters and at about the same time, I think I can regard it as one incident and not come within the scope of the prohibition which I laid upon myself yesterday.

Information such as this cannot and will not be given in answer to questions in the house or elsewhere, and in no circumstances will it be given unless we are satisfied that the enemy will not benefit therefrom. To hon. members who are inclined to be critical of the censorship regulations and the silence that is observed with regard to these matters, I may say that German broadcasts are heard in the department, and this morning the German radio announced with great glee that a ship had been sunk in the St. Lawrence by one of their submarines; that this was the greatest distance from home their submarines had ever operated; that the whole thing had produced tremendous consternation in Canada; that the department had declared that no further announcements would be made; that this was an indication of our consternation, and generally they played the news up to the utmost degree. It is obvious that if they attach such importance to the matter, we also should attach similar importance to it, and we cannot dash around, giving out information which may in any way endanger the safety and lives of our men or the safety of our own or allied property, for the sake of gratifying any group of people, no matter how important they may be. But I think I should say that, while we had not the knowledge at the time the announcement was made yesterday, a second ship has been sunk.

QUESTION AS TO USE BY ENEMY SUBMARINES OF ST. PIERRE AND MIQUELON WATERS

Mr. T. L. CHURCH (Broadview): With reference to the statement which the Minister of National Defence for Naval Services made, may I ask whether he is aware of the invasion by German submarines over the past year of the deep creeks and inlets and harbours of the islands of St. Pierre and Miquelon and flashing from the shores signals at night to sink shipping?

Mr. SPEAKER: I think the question should be put on the order paper.

Mr. CHURCH: I will put it on the order paper, if that is desired, but you can get no information in reply to questions put on the order paper. Here is a question I put on the order paper—it was answered to-day—about German bases in the Atlantic off Ireland and the losses of allied shipping. Information as to Atlantic losses is given almost every month by the British admiralty but the Prime Minister refused to-day to tell this house what the losses there were. I may have to bring the matter up on a motion to adjourn the house, also the Vichy question and the lack of recognition by Canada of General de Gaulle who is helping us at these islands.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Would my hon. friend let me see the question and the answer to which he has just referred? I think I should read the question and the reply that was given. They are as follows:

1. What has been the estimated loss, since the war began, of Canadian shipping in tons, and also in lives, of Canadian nationals or soldiers, off the coast of Eire during this war?
2. What Canadian ships have been lost in that zone, as a result?
3. What is being done to secure the immediate use of these empire bases?

My answer was:

1. It is not deemed in the public interest to give information regarding losses of ships and men in particular theatres of war, or with respect to the use of empire bases.
2 and 3. Answered by No. 1.

My hon. friend will find that that answer does not differ in any essential particular from the information given out by the British government. Furthermore, it is in accord with the expressed desire of the British government that information as to what happens in particular theatres of war if likely to be of any service to the enemy is not to be made public.

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Mr. Speaker, I think I should make some reference to the question asked by the hon. member for Broadview. I am not sure that I heard him correctly, but I think he said: Is the minister aware that German submarines over the past year have had bases in inlets on the Canadian coast.

Mr. HANSON (York-Sunbury): Inlets in the French islands.

Mr. BLACK (Cumberland): St. Pierre and Miquelon.

Mr. MACDONALD (Kingston City): And on the St. Lawrence, I think he said. I should like to know what is the basis of my hon. friend's statement that German submarines have had bases on

the seaboard of this continent over the past year. I have now before me his written question. It is as follows:

Is the government aware that for nearly the past two years German U-boats have been sheltering in the deep creeks, inlets and harbours of these islands, St. Pierre and Miquelon, where they flash signals at night from the shores to sink Atlantic shipping?

Does my hon. friend state that to be the case?

Mr. HANSON (York-Sunbury): He is asking you.

Mr. MACDONALD (Kingston City): There has to be something more in this house than mere innuendo and suggestion.

Mr. CHURCH: Where was your navy when all this was going on in the St. Lawrence?

Mr. MACDONALD (Kingston City): I will answer my hon. friend with the statement that I do not know, and he does not know, and no reputable authority knows that there is a German U-base on this side of the Atlantic. I have stated before several times in this house that we knew definitely that German U-boats could leave European bases, come over to this side, operate for some days off the American coast and get back to their bases in France or Germany or along the conquered coasts without the necessity of refuelling. I have no knowledge whatever that there are any such bases. There are no very deep inlets in the harbours of St. Pierre and Miquelon. But I should like to know what foundation, if any, my hon. friend has for his suggestion.

Mr. GRAY: I think we are entitled to know what hon. member made the statement.

Mr. MACDONALD (Kingston City): The hon. member for Broadview.

Mr. HANSON (York-Sunbury): No. He asked a question. Let us be perfectly frank. All this seems to be out of order.

Mr. CHURCH: I also ask, what steps will be taken to support the splendid work of General de Gaulle, to protect Canada from a nest of axis pirates operating there; what action will be taken to recognize and support the general in protecting Canada from pirate U-boats at St. Pierre and Miquelon which are known to be operating off our eastern shores? I have the authority for it. Further, will all papers regarding these islands and axis U-boats be published?

Mr. SPEAKER: I think this whole matter is out of order on the orders of the day.

WAR APPROPRIATION BILL

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

The house resumed from Tuesday, May 12, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

Hon. C. G. POWER (Minister of National Defence for Air): Mr. Chairman, last evening just before six o'clock the hon. member for Lake Centre (Mr. Diefenbaker) presented me with a series of questions. All evening and all this morning the officers of my department, accountants and others, have been trying to get answers to these questions, and I have not yet received them. I think from what they tell me that it may take a day or so; therefore it will not be possible for me to proceed at this time along these lines. But while I am discussing that matter I want to tell you, Mr. Chairman, and the committee, that I owe an apology to the hon. member for Lake Centre for having to some extent doubted the statement which he made with respect to air observer operating companies having a parent company. I was under the impression that that was not the case, but my information this morning is that the statement made by my hon. friend is perfectly right.

Mr. HANSON (York-Sunbury): Is it not so that at least in one case the same set of shareholders hold the stock in both companies, so that it is hardly fair to say there is a parent and subsidiary, that one is subject to the other in some degree, but that the observer company does pay a fee to the other company, contributing to the stockholders of the other company, the shareholders being the same in each? That is a state of affairs which, I think, should not exist.

Mr. POWER: I am under the impression that the statement which the leader of the opposition makes is substantially correct. I am having that looked into.

Mr. HANSON (York-Sunbury): And how many there are?

Mr. POWER: And how many there are. I had in mind one company which has an observer school of the same name as the parent company, and I was sure that we were dealing directly with the parent company, with the operating company. That is how I came to make the mistake.

Mr. DIEFENBAKER: I want to thank the minister for the courtesy he has shown, which is in keeping with the manner in which he is administering his department.

Mr. TUSTIN: Yesterday I asked the minister whether the Royal Air Force stations were included in the commonwealth air training scheme. He advised me that they were not. A little later he said that the Royal Canadian Air Force had a sort of general control over the Royal Air Force schools. I also asked him then if the Royal Canadian Air Force posted men to these Royal Air Force centres. He advised me that they did. He went on to say that sometimes Royal Air Force men were posted to Royal Canadian Air Force schools. In view of the statement the minister has made that he has a kind of control over these Royal Air Force schools I think he should make a statement indicating clearly what the control is. When he has answered that question, I should like him to state how the difference in pay is made up if men from the Royal Air Force schools are stationed at Royal Canadian Air Force schools, and vice versa. I understand there is considerable difference between the pay of the Royal Canadian Air Force and that of the Royal Air Force.

Mr. POWER: With respect to control by the Royal Canadian Air Force over the Royal Air Force, we have a control with respect to both discipline and command. I must admit that at the present it is somewhat nebulous. I expect that as a result of the conferences which are to be held in the near future that situation will be clarified.

With respect to pay, I am very glad that that matter has been brought to my attention, because for months it has been stated in the press and on the public platform that the Royal Air Force schools received rations different from those of the Royal Canadian Air Force, and that as a result they are obtaining a lower standard of rations. Men of the Royal Air Force whose pay was lower than that of the Royal Canadian Air Force, according to the story, were having a very hard time to make both ends meet. The true story is that the Royal Air Force, wherever they may be in Canada, receive exactly the same rations as the Royal Canadian Air Force from the army service corps. That is number one. Number two is that their men receive the same pay as the Royal Canadian Air Force, with the exception perhaps of certain trades. Some trades are graded higher in the Royal Air Force than in the Royal Canadian Air Force, but that is a difference of administration by the different forces. But the standard or basic rate of pay of the Royal Air Force is brought up to that of the Royal Canadian Air Force when the men come to Canada.

Mr. FRASER (Peterborough West): Does the minister intend to take over the cadet training in all the high schools where the army has cadets now, or what is the procedure? How is the instruction to be carried out?

Mr. POWER: A statement was issued by the Minister of National Defence, the Minister of National Defence for Naval Services, and myself, to the effect that we hoped to be able to arrive at a satisfactory arrangement. So far as Ontario is concerned, and I assume my hon. friend is speaking of Ontario, the latest development is that the provincial government is establishing compulsory training of some kind, and the cadets will be joint cadets, but with the arrangement that when they reach a certain age, I think it is seventeen, students will have the option of joining either the army or the air force.

Mr. FRASER (Peterborough West): They will carry on, then, as navy, army and air; or will the navy be in it at all?

Mr. POWER: The navy is not in it in many places; it is, I think, in Ontario. There will be no difficulty as between the navy and either army or air. I do not think there is any real difficulty as between army and air either, except that some school boards wish to put the onus on either my department or that of national defence to say whether we want them to be army or air, and invariably we say, "Take your choice"; whatever the board wants is quite satisfactory to us. So far as I am concerned, so long as I have at least my place in the sun I think we shall be able to get the cadets.

Mr. FRASER (Peterborough West): At present army officers are helping along with that training. Is it intended to put in air force men to help that training?

Mr. POWER: No.

Mr. SENN: Yesterday the minister, in reply to a question asked by the hon. member for Saskatoon City (Mr. Bence), stated, no new aerodromes. I know that in the county in which I live, and in the adjoining county, areas have been surveyed and staked out, and I should like the minister to make a statement in regard to them because there is a certain amount of uncertainty in the minds of the people in the areas that have been staked out and surveyed as to whether they wil be taken up. Many people have asked me this question on several occasions and I have not been able to answer.

Mr. POWER: We never know when requests will be made to us to enlarge the plan or to find aerodrome sites for transferred schools, so that during the past year we have requested the Department of Transport to look over the ground in every part of the country. The result is that I am very often told by members of parliament and boards of trade, "Oh, you will have an aerodome in my constituency because there was a survey party there." The survey parties carry out preliminary surveys in order that we may be ready to site aerodromes in case the need arises instead of being left to get them in a hurry if we are obliged to.

Mr. CHURCH: I am sure the minister must be greatly encouraged in his work by the wide approval of the good work which the air ministry has done in Canada. During the debate last night a great many members referred to the inequalities in pay and the difference in rank among those who go to the same school. I hope the minister will take up this matter at the coming conference, because I have discussed it with a great many people who have been at these camps and, while they are loath to express an opinion, I am sure the minister is moving along the right line in the answer he gave to the hon. member for Lambton West and the hon. member for Brantford City yesterday. There is a wide discrimination between those who are doing the same work and who are equally qualified for ground work or work in the air as the case may be. These pay injustices and inequalities in the army, the navy and the air force have given rise to widespread discussion not only among members in the House of Commons but in the country as well, and I would ask that we have a statement similar to that which the minister in charge of the army has given, which was placed on *Hansard* last Monday. There was tabled on March 24, 1942, a return which is up to date with regard to pay and allowances and other emoluments of officers and men of the three services. I would ask that this return, which has already been tabled for me be put on *Hansard*.

Mr. POWER: Here is a return laid on the table of the house and in the hon. gentleman's possession and he wants me to place it on *Hansard*. If he wants to have it on *Hansard*, all he has to do is to get permission of the house to have it put there. I have no objection, but I do not see why I should have the onus of asking for permission to put on *Hansard* something that is in possession of the hon. gentleman.

Mr. CHURCH: In that case I would ask for permission to place it on *Hansard*, because I think it is in the public interest that these inequalities should be made known. Unless I can get the unanimous consent of the committee, and I would ask for that consent, I shall have to read it.

The CHAIRMAN: Is it the pleasure of the committee that the hon. gentleman have leave to put the return on *Hansard?*

Mr. POWER: I have no objection.

Some hon. MEMBERS: Read it.

Mr. POWER: I do not object.

Mr. CHURCH: The return is as follows:

(Part of sessional paper No. 254)

Inquiry of the Ministry by Mr. Church—*Votes and Proceedings* No. 44
March 24, 1942—Page (i)

Questions:

1. What is the pay, sustenance allowance, and all other emoluments of officers and men of His Majesty's three forces?

2. What is paid also to officers and members of the women's army?

In so far as the Royal Canadian Air Force is concerned:

Note: The following scale of pay and allowance is based on active service rates. However, as the Active Service rates of dependents' allowances are more beneficial, the small number of personnel (mostly of the lower ranks without dependents) still remaining on permanent force rates, are gradually transferring to active service rates as they marry or acquire increased rank.

Answers: 1 (A) Pay.

(i) Officers:

Pay of rank

	General flying list	Non-flying list	Medical branch
Air Commodore	$19 00	$17 00	....
Group Captain	15 00	13 00	....
Wing Commander	12 00	10 00	$11 00
Squadron Leader	9 75	7 75	9 25
Flight Lieutenant	8 50	6 50	7 50
Flying Officer	7 00	5 00	5 00
Pilot Officer	6 25	4 25	4 25

Additional pay	Per diem
Officers in command of units	$1 00
Adjutants	50
Officers employed as A.F.H.Q. or Command Headquarters	50
Flying pay for officers not on the general (flying) list for authorized flights	2 00

(ii) Airmen:

Pay of rank and group

Rank	Groups "A"	"B"	"C"	Std.
Warrant Officer, Class I	$4 95	$4 70	$4 45	$4 20
Warrant Officer, Class II	3 85	3 60	3 35	3 10
Flight Sergeant	3 25	3 00	2 75	2 50
Sergeant	2 95	2 70	2 45	2 20
Corporal	2 45	2 20	1 95	1 70
Leading Aircraftmen	2 25	2 00	1 75	1 50
Aircraftmen, Class I	2 15	1 90	1 65	1 40
Aircraftmen, Class II	2 05	1 80	1 55	1 30

Pay of Rank

Air Crew Graduates

	Pilots, Air Observers, and Observers (Radio)	Wireless Operators (Air) Gunners	Air Gunners
Warrant Officers, Class I	$5 70	$....	$....
Warrant Officers, Class II	4 60	....	....
Flight Sergeant	4 00	3 75	3 25
Sergeant	3 70	3 45	2 95

Additional Pay	Per Diem
Flying Pay	$ 0 75
Flying Pay for crew of aircraft (Crew Pay)	0 75

(B) Subsistence Allowance

	Quarters	Rations	Subsistence
Officers of air rank	$1 00	$....	$1 00
Other officers	1 20	0 50	1 70
Airmen	0 50	0 50	1 00

(C) Dependents' Allowance

To wife, or if there is no wife to the female relative maintaining a home for his children:

	Per Month
Officers above the rank of Squadron Leader	$60 00
Squadron Leader	55 00
Flight Lieutenant	50 00
Flying Officer	45 00
Pilot Officer	45 00
Warrant Officer, Class I	40 00
All other airmen	35 00
First dependent child	12 00
Second dependent child	12 00
Third dependent child, of ranks below W.O. I	9 00
Fourth dependent child, of ranks below W.O. I	6 00

Other dependent relatives	Maximum
Officers above the rank of Squadron Leader	up to $30 00
Other officers	up to 25 00
Airmen	up to 20 00

Dependents' allowance cannot be claimed for more than three dependents except in the case of ranks below Warrant Officer, Class I, who may also claim for their third and fourth dependent children.

(D) Other Allowances

(i) Outfit allowance for officers of $150 on appointment.

(ii) Outfit allowance for Warrant Officers, Class I, of $150 on appointment.

(iii) Transport and travelling allowances when travelling on duty.

(iv) Transport and travelling allowances to their residence prior to enlistment when discharged.

(v) Civilian clothing allowance on discharge of $35, if service less than six months, $27 in winter, and $17 in summer.

(vi) Rehabilitation grant of thirty days' pay and dependents' allowance, if six months' service completed.

[Mr. Church.]

2. The R.C.A.F. (women's division) receives pay at two-thirds the rates for officers and airmen of the force. They receive no additional pay, such as headquarters' pay, flying pay, etc. They receive the same subsistence allowance as officers and airmen, and in addition, are entitled to all those other allowances shown in para. (D). Furthermore, they are given an underclothing allowance of $15 upon enlistment, and this is supplemented each quarter by an allowance of $3. No dependents' allowance is paid on their behalf, and any dependents' allowance which they were receiving prior to their enlistment, is stopped when they become members of the force. Their emoluments may be summarized as follows:

(A) Pay.

(i) Officers:

Pay of rank.

Officers	Daily rate
Wing Officer	$6 70
Squadron Officer	5 20
Flight Officer	4 35
Section Officer	3 35
Asst. Section Officer	2 85

(ii) Airwomen:

Pay of rank.

Other ranks	"A"	"B"	"C"	Std.
Under Officer I	$3 30	$3 15	$3 00	$2 80
Under Officer II	2 60	2 40	2 25	2 10
Flight Sergeant	2 20	2 00	1 85	1 70
Sergeant	2 00	1 80	1 65	1 50
Corporal	1 65	1 50	1 30	1 15
Leading Aircraftwoman	1 50	1 35	1 20	1 00
Aircraftwoman I	1 45	1 30	1 10	95
Aircraftwoman II	1 40	1 20	1 05	90

(B) Subsistence allowance.

	Quarters	Rations	Subsistence
Officers	$1 20	$0 50	$1 70
Airwomen	50	50	1 00

(C) Underclothing allowance.

An initial grant of $15 is provided to purchase underclothing, toilet articles and necessaries. A quarterly allowance of $3 is paid for the purpose of replenishing these articles.

(D) Other allowances.

(i) Outfit allowance for officers of $150 on appointment.

(ii) Outfit allowance for under officer, class I of $150 on appointment.

(iii) Transport and travelling allowance when travelling on duty.

(iv) Transport and travelling allowances to their residence prior to enlistment when discharged.

(v) Civilian clothing allowance on discharge of $35, if service less than six months, $27 in winter, and $17 in summer.

(vi) Rehabilitation grant of thirty days' pay, if six months' service completed.

I come from a city and district that have given almost one-third or one-fourth of the cadets to the dominion, and naturally I want to ask one or two questions in regard to cadet services. There was a return to an order of the house in connection with cadet services in the air force. A lot of trouble is caused by having outside organizations of a private nature engaged in this work. They have done good work, I admit, but I object to having the whole policy of Canada upset in connection with the cadet services, which we have had from the days of confederation.

Take this particular branch of the department. An order was given, which will be found in *Votes and Proceedings*, order No. 9, February, 1942, with regard to this particular cadet services department, in which it was shown that a private organization had been given rights and privileges, formerly the functions of school boards, in this matter. Apart from a few subscriptions, the department is paying for 7,000 cadets going to camp, and when the country pays for them it should have some control over the matter. This league is getting a grant of $25,000 a year, and it is going into the schools, some for the army, some for the navy and some for the air force. Toronto is spending $12,000,000 in connection with maintenance charges for

schools, and I suggest that the school boards and teachers should have some control and be consulted first. There are many men who served in the great war and some who are in this war, who are teachers in the public schools and high schools, and in the separate schools as well. In the constituency of York South represented by my hon. friend (Mr. Noseworthy), there is a large collegiate, Vaughan road. Now you will have rival organizations, one for the army, one for the navy and one for the air force all in the schools and interfering with studies, using this private medium. I am not opposed to them, but they should be coordinated. They have done a lot of good work and I freely admit, as the minister said last night, that they are public-spirited citizens. I suggest, however, that there should be some coordination. The minister has put in a good deal of hard work on this question and he knows more about it than I do. I am one of those who appreciate what he has done and the league so far. He commanded a Toronto unit in the last war and is much respected there. The provincial minister of education at Toronto has stated that they want to train 50,000 cadets in Ontario at the expense of the municipalities and the schools of the province. I should like to find out what authority they have for that from this government and how this will affect the air league. Have they received requests from the army, navy or air department or from other departments of the government to do this, and why? What is the scheme? Does it not also supersede and interfere with the cadet league system? There are a great many of my own personal friends, whom I have known for many years, splendid patriotic citizens, who belong to the league. I know most of them. They are public-spirited, and I think something should be done to explain the situation in view of Ontario's entry into it. They have an air league secretary in Ottawa who issues communiques almost daily, but I do not know what is being done. He has a new flag and has obtained the royal assent for it, by what authority I do not know, with parliament in session. My hon. friend the member for Davenport (Mr. MacNicol) is one of those who have been behind protecting strongly the flag which shelters us, and while perhaps matters of this kind should not, in time of war, be mentioned, I think attention should be drawn to this situation. I am glad that the hon. member for Davenport is aware of the change of flag proposed.

[Mr. Church.]

Mr. MacNICOL: I am always aware of what is going on.

Mr. CHURCH: I know, but he may find the new flag over us before the league gets through. They have plenty of leagues in this country. Who authorized the changing of the flag of the air cadets without the knowledge of parliament? How many of these separate flags have already been introduced in Canada's forces. I am not objecting, but under what authority? What sums of money does this league get?—$25,000 I understand. For what purpose do they get it, and who are the officers? They are using public property, school buildings, for drills and meetings, and there are not enough schools to go around for all this war cadet service. The minister who has been interested in education for many years, will appreciate that I am not objecting to the work of the league, there are many good people in it, but there should be some cooperation, and surely when parliament is meeting they should not be doing this without control. On what grounds of public policy were these services taken out of the control of school boards and boards of education in Canada, which have had control in the past? And do not forget, it was done without the authority of parliament, and is different from the navy and the army.

In view of the great record which the minister's department has made, for it has made a great record in an empire sense, I urge that he look a little further into it and get some control over it.

As to the summer air and other cadet camps, they are going to interfere with the migration of cadets to farms and with everyone who wants to be a farmer. The cry used to be, "I did not raise my boy to be a farmer but I raised him to be a hockey player", but since the war came all that is changed now. In view of the attempt to get the high school boys out on the farms there will be some interference with the league work. The minister used to be a star hockey and lacrosse player himself, I remember, and he was a great player who could give and take with the best of them. He should look into the whole situation. I was talking to the head of one of the largest collegiates in the dominion last week, and he said from a quarter to one-third of the students are now on the way to the farms. They used to go for four or five weeks, but now it is extended to eight or nine weeks. If we keep on, every one will want to be a doctor of agriculture; we are going to turn the city men instead of into doctors of law into doctors of agriculture, and make our collegiates agricultural

colleges in cities. If we have no control over some of these things we might as well go home. Since the dollar-a-year men have got control, all the affairs of the country are under their control and that of the bureaucratic boards. It seems to me that the cabinet and parliament are compelled to do goose-stepping to these dollar-a-year men who pass conscription orders without the knowledge and consent of parliament. The country is controlled by a bureaucracy. I do not seek to interfere with the thousands who want to go on the farms. I am glad the schools are helping, because it is primary. I am not a farmer myself, but I have just as much knowledge of farming as some hon. members who pose as farmers, although I do not remember whether there are fifty-six or sixty pounds to a bushel of buckwheat, barley or timothy seed. I have seen many farms five and ten miles out of Toronto on the highways where the city and the province spent a good deal of money on roads and to furnish cheap light and power and transportation, but the farms are now deserted and untilled, and many are vacant.

But I hope the minister will look into the powers and functions of this league and other private organizations. During the last war when I was one of the heads of the city of Toronto, we had the air force cadets there and they did a tremendous work. Over 16,000 were trained as R.A.F. cadets and mechanics.

I hope some consideration will be given at the conference next week to the representations made last night by the hon. members for Brantford City, Lambton West, Lake Centre and others, and that the question of air force regiments will be taken up. They are in their infancy in England, they cooperate with the army and the navy; they are badly needed in this country, the territory of which stretches from ocean to ocean. One of the main reasons why some of these regiments should be formed is to guard the proposed new aerodromes and the camps and cooperate with the army and navy and the land and ocean services. Notwithstanding the lecture of the Minister of National Defence for Naval Services to the municipalities last night, I can tell him that the municipalities of Canada have done more than those in any dominion of the empire in the way of giving to the government buildings and grounds free until they have no room for any expansion of their ordinary municipal utilities, and the universities also. Look at what Toronto did in the last war and in this war to help cooperate, even to closing its annual fair, which helped in war to keep up morale.

Mr. DOUGLAS (Weyburn): I wish to ask some questions of the minister along the lines of those I asked last year. When a man joins the Canadian army he does so as a Canadian soldier; he goes overseas as a Canadian soldier to operate under the Canadian army which in turn is attached to the Canadian corps. The same is true of a man who joins the Royal Canadian Navy; he goes over in a Canadian ship, and although his unit may be cooperating with a British squadron, nevertheless he is operating under Canadian officers and the Canadian general staff. But in the air force a man joins the Royal Canadian Air Force; he goes overseas, and it is understandable why in the early stages, when there were not many of them, they were scattered through the Royal Air Force. The minister said last year that an attempt was being made to set up a Canadian squadron. I think he said yesterday that some twenty-two of these all-Canadian squadrons have been set up. But are the government and his department moving toward setting up the Royal Canadian Air Force as a separate entity overseas operating under its own general staff? It seems to me we ought to be moving in that direction for two reasons. One is that I think the men would prefer it. That is no reflection on the Royal Air Force, but it is the same matter of principle that was fought out in the last war. Those who have read Sir Robert Borden's memoirs will remember that it was proposed that Canadian units should be dispersed throughout the British armies and operate under British commanders; but the Canadians were adamant on that issue, insisting that Canadians should operate as a Canadian army, and I think that stand was amply vindicated. The operation of that Canadian corps forms one of the proudest pages in our history. Has the time not come now to form a Royal Canadian Air Force overseas under a general staff responsible to the minister here?

Another reason why that ought to be done is because of the matter I mentioned when the army estimates were up. That is, since the Canadian corps has been formed under General McNaughton, there must be an increasing attempt to allocate to the army corps sufficient air power to sustain it when it goes into action. One of the most tragic pages in British history has been written in the last few days. Hon. members will have read the reports from correspondents in Burma telling how some of the finest units in the British and Indian armies have been cut to ribbons for lack of air support; a pitiful story of men who for three months fought a rearguard action, bombed and machine-gunned from the air with practically no air support. We are not in a position to say where the fault lay or what could have been done about

the matter, but the people of Canada will never forgive this government or those responsible if Canadian troops have to go into action on the continent without adequate aerial support, and they certainly would prefer that that aerial support should come from the Royal Canadian Air Force. The air force is no longer, as I understand, merely a bombing or fighting or interceptor force, it is a great deal more.

In modern war the air force has become, in some respects, the artillery of a mobile army. It is used to break up strong points of resistance. By dive bombing it is used to break up enemy troop concentrations, as well as for reconnaissance, and in conjunction with artillery being directed by the divisional commander on the ground. There will have to be the closest cooperation with and the best possible support of the Canadian corps by an air force, and preferably the Royal Canadian Air Force, when they go into action on the European continent. If this is to be done, it can be done only if there has been constant cooperation, coordination and practice between the different forces.

It seems to me it is not sufficient in modern war for appreciations of situations to be made and operational orders to be issued to the different services, and then to try to work them out on paper. There will have to be constant cooperation between land and air forces, and that can be done only if the Royal Canadian Air Force is operating under or in very close conjunction with the Canadian corps. I should like to see the Royal Canadian Air Force, with its own general staff, operating with General McNaughton's general staff of the Canadian Army Corps. It may not be possible to do that right away. It may be that the taking of Canadians out of different squadrons of the Royal Air Force would upset the set-up over there, and therefore it cannot be done too quickly or suddenly. But certainly it will have to be done some time, and I would ask the minister if he and his officers are moving toward that goal. I would ask him if there is any possibility at the conference to be held next week of his discussing with British air officials the possibility of setting up the Royal Canadian Air Force under a separate command in Great Britain, and working in close conjunction with General McNaughton and the Canadian corps.

Mr. POWER: I wish to thank my hon. friend for bringing this matter up, because there is nothing in the whole department more dear to my heart than the Canadianization of the Royal Canadian Air Force. I should like to get all the support I can in parliament. I do not know when I have had a greater sense of frustration than in my attempts to Canadianize the Royal Canadian Air Force overseas. I might explain that under the joint commonwealth training scheme the scheme was to train individual pilots for the Royal Air Force. In that connection I shall read section 14 and following under the heading "Training for R.C.A.F. merged with joint training":

14. It is agreed that the government of Canada may, out of the Canadian pupils who complete their training under this scheme, fill vacancies which occur in the home defence squadrons of the Royal Canadian Air Force.

That is, fill vacancies out of the graduates, in Canada.

All the other pupils, on completion of their training, will be placed at the disposal of the government of the United Kingdom—

Then there is the saving clause, added by the government of Canada:

—subject to that government's making the arrangements indicated in article 15 and bearing liability, as provided for in articles 16 and 17 of this agreement.

Then there is the clause which to some extent protects the Canadian character of the pupils:

The United Kingdom government undertakes that pupils of Canada, Australia and New Zealand shall, after training is completed, be identified with their respective dominions either by the method of organizing dominion units and formations, or in some other way, such methods to be agreed upon with the respective dominion governments concerned. The United Kingdom government will initiate inter-governmental discussions to this end.

Then follows article 16, to which reference is made; and article 17 deals with pay and allowances, and has nothing to do with the matter under discussion.

As a result of the sentiments my hon. friend has so well expresed the dominion government took up with the government of the United Kingdom a year ago last January, through my colleague the Minister of National Defence who was then in Great Britain, the question of identifying Canadians by the creation of a certain number of Canadian squadrons. That was only so far so good, because there were too many of our pilots to fit into only twenty-five Canadian squadrons. However, it was at least a start.

Unfortunately—and I am saying this without blaming anybody—there was not always the same enthusiasm, if I may put it in that way, on the part of the air ministry, and particularly on the part of the officers of the Royal Air Force, for the Canadianization of our squadrons.

Perhaps I had better go one step further. A large number of officers of the Royal Canadian Air Force, having been trained in the old Royal Flying Corps or Royal Air Force, naturally had their roots more deeply embedded in the traditions of the Royal Air Force than in those of the Royal Canadian Air Force. Therefore there was—perhaps obstruction is too strong a word—some resistance—

Mr. HANSON (York-Sunbury): Some difference of opinion.

Mr. POWER: Perhaps it would go beyond that. There was some resistance both on the part of the senior officers of the Royal Air Force—though I must say that eventually, after my visit last summer, the air ministry came around to what I call the Canadian point of view—and among the officers of our own Royal Canadian Air Force. Therefore, even the Canadianization of our twenty-five squadrons has been somewhat difficult, although we have all the men required to fill them—and many times more than enough.

Even to-day some of those squadrons contain only 30 per cent or 40 per cent of Canadians. Of course some have gone up as high as 80 per cent and 90 per cent, and there was the squadron I mentioned last night with 98 per cent. Another complaint—perhaps I should not say it was a complaint—another representation which I made while in England, and which I propose to make again at the conference, is that even apart from these squadrons it should not be very difficult as far as possible to keep Canadians together. There is undoubtedly the feeling both in this country and beyond it, that it is to the general good to mix people from all parts of the empire. To that theory I subscribe, to a certain extent.

On the other hand, I maintain that these men in squadrons are a team, and it is easier to play on a team with men you know, men of your own kind, men from your own home town, than to play on a team with men from another town, even though you may be the best of friends and have the greatest respect for one another. Therefore, for that reason I have been devoting a great deal of my time, considerable energy and some little argumentative ability to endeavour at least to achieve a step along the line my hon. friend has mentioned.

There are operational difficulties in the way of having a wholly integrated Canadian air force. Bombers would be attached to bomber commands. Fighters would be attached to fighter commands. Other types would be attached to coastal commands. Army cooperation squadrons would be attached to the army.

As a matter of fact the Canadian army has Canadian squadrons attached to it for army cooperation work and, I hope, will have more as soon as it is possible to form the other squadrons provided for by the Ralston-Sinclair agreement. That agreement provided for twenty-five Canadian squadrons, in addition to the three then in existence. I was hoping to have those twenty-five squadrons well established, and then ask for more. At the moment we have twenty-two. Some of them are attached to the Canadian army and work as army cooperation squadrons, with General McNaughton. There are many more details; there is a long history of struggle and discussion connected with this matter. I think we are on the way to where I know I want to go, and where I hope the majority of the members of this house and the people of this country want to go; that is, to make our squadrons overseas as much Canadian as possible, having regard to the difficulties of operation.

Mr. JACKMAN: Would the minister enlighten the committee as to the financial responsibility as between Canada and Great Britain for Canadian airmen serving outside Canada? It may throw some light on the matter now under discussion. Also in this connection I would point out that a considerable number of Canadians are serving with the Royal Air Force, who enlisted with that organization and who receive the British rates of pay, which, as has been stated already, are much lower than those in our own air force. Inasmuch as they are serving in Great Britain, some of them also are subject to payment of income tax. At one bomber squadron I met a squadron leader, a Canadian boy, who stated that his net income, after payment of income tax in Great Britain, was equal only to that of a pilot officer in the Royal Canadian Air Force, and naturally this causes a great deal of ill feeling, particularly where these men are serving with units which have some Royal Canadian Air Force men attached to them. If it is possible to have these Canadians, who, instead of coming back to Canada when war broke out, immediately enlisted with the Royal Air Force, brought within our own air force, that would do away with these difficulties. I think they should be remustered in the Royal Canadian Air Force and receive the same treatment with regard to pay and, I suppose, with regard to pension if they should meet with ill fate.

Mr. POWER: With respect to pensions, the Minister of Pensions and National Health

tells me that this is looked after, that the pension will be on the same basis as that of members of the Royal Canadian Air Force, provided they went to England within a period of four years prior to the war. With respect to remustering them to the Royal Canadian Air Force, a great many of them would not want that. A great many of them prefer to remain with the Royal Air Force. I say that very frankly to my hon. friend, though I have been just talking about trying to keep Canadians together. They have their associations in the R.A.F.; some of them have achieved some distinction. My hon. friend speaks of a squadron leader. If he joined up at the beginning of the war, he has done pretty well. They have got along fairly well; probably they are attached to a particular squadron or group, and I should say a great many of them would prefer to remain with the R.A.F., though I do not suppose they would refuse Canadian rates of pay.

Mr. JACKMAN: If I may give the minister an example, one case that I recall is that of a young medical man who was taking post-graduate work in the old country and who, on the outbreak of war, immediately enlisted in the Royal Air Force. It is true that he is now a squadron leader, but that is not an exceptionally high rank for a medical practitioner who was doing post-graduate work. He told me that his net return was only about the same as that of a pilot officer, two or three steps below him in rank, serving with the Royal Canadian Air Force. I can assure the minister that he was very much dissatisfied, because there were both Canadians and Englishmen attached to this squadron, and I do not think they make any distinction between R.A.F. and R.C.A.F. There was also a young Canadian squadron leader there who had won the distinguished flying cross, and he felt the same way about the matter. Of course I did not have an opportunity to obtain a general consensus, but at the particular place where the subject matter was brought up there was certainly a distinct feeling that they would much rather remuster in the Royal Canadian Air Force and receive rates of pay equal to those of their comrades from home.

Mr. POWER: This matter has been brought to our attention on several occasions, and up to the present we have not felt that we should remuster them to the Royal Canadian Air Force or place them on Canadian rates of pay. It is really something worth considering. The attitude our people take is, I suppose, that they joined the Royal Air Force, so why should they not stay with it. On the other hand, some of these men may want to return. The list of commanding officers of Canadian squadrons indicates that several of them are with the R.A.F. For instance, there is Wing Commander Woodruff. He is a Canadian who is with the R.A.F.; he is in command of a Canadian squadron, and I have not the slightest doubt that his pay and allowances in the R.A.F. would be lower than those of his second in command, who is a Canadian. There is an anomaly there that I think we shall have to go into and try to correct.

Mr. JACKMAN: It is the British income tax that affects these men particularly.

Mr. HANSON (York-Sunbury): With regard to the very important matter brought up by the hon. member for Weyburn and discussed at some length by the minister, I hesitate to express any opinion, and I really am not going to do so. But I wish to ask the minister a question. This is not a matter of sentiment, though I can quite understand that for sentimental reasons these boys would like to be kept together. There is, of course, the question of team work which the minister has mentioned, which I should think was much more important than any mere question of sentiment. But is there not a paramount consideration, namely the unification of the operational activities of the whole air force in Britain and radiating from Britain or any other theatre of war? Is that not the paramount factor and consideration, and are we here in Canada in a position to express a really intelligent opinion upon it? I ask myself that question, and personally I must answer it in the negative.

Mr. POWER: The argument presented by my hon. friend is the argument with which I have had to contend right along. It is not all plain sailing. Certainly there is something to be said for unification of operations, if I may so put it, but this is what happens. The Americans are over there, in fewer numbers than we are. They have some kind of independent command, though they operate with the R.A.F. and, I take it, are pretty well under the general command of the R.A.F. But I should like the R.C.A.F. to have at least the same status as the Americans have. Let us say they have a bomber squadron or a bomber group of their own. I doubt very much if it would be possible for them to select their own objectives, let us say, without at least consulting the higher British command; but still they could remain together as a bomber group. As a matter of fact, what we have been aiming at as our first objective is a bomber group for Canadians. Then you can send a whole group together. Of course the objection to that is that if the

group gets into trouble, then you have a very large number of Canadian casualties, whereas, interspersed as they are now with others, the casualty list becomes less glaring. But I am hoping to attain pretty well the same status that the Americans have attained with respect to internal operations, always of course under the command of some supreme British authority with regard to operations generally. I am speaking now probably out of turn, not knowing very much about the tactical end of the matter, but I doubt if we could ever achieve a completely independent command in the sense that the Canadian army is an independent command. Our international relationships with groups, commands, and so on are so close that it would be almost impossible to have what might almost be called an independent air force, but it would be possible to have a better grouping and a greater grouping of Canadian squadrons working together.

Mr. HANSON (York-Sunbury): I am obliged to the minister for telling me his ambitions and his objective, and I think it is quite right that he should, after he learns what the position in Britain is, strive if possible to attain that objective, if it is possible to do so. But it would seem to me irrational that the Royal Canadian Air Force should operate on its own in Britain.

Mr. POWER: Absolutely on its own, no.

Mr. HANSON (York-Sunbury): Or anything approximating that. There must be coordination of effort. I am speaking as the merest layman, knowing absolutely nothing about these matters, but my reason tells me that it would be out of the picture entirely for the Royal Canadian Air Force to operate on its own. Or the Canadian army. It is kept together as a unit of course; but when the final testing time comes, when a second front, let us say, is opened on the continent, if the Canadian army is part and parcel of the expeditionary force that goes there, it will have to be under one unified command in charge of the whole expeditionary force.

Mr. POWER: They have to be under somebody.

Mr. HANSON (York-Sunbury): The minister can pursue the thought he has in his mind up to a certain point, but there he must stop. I say that with great deference, and perhaps I am making a misstatement altogether, but I am just thinking out loud.

Mr. POWER: I think my hon. friend is right. One thing I certainly hope to achieve is more grouping of Canadians and less dispersing of Canadians all over the world, even to the point of filling up Royal Air Force squadrons with Canadians, if necessary. I was told of squadrons of one of our partners in the commonwealth air training plan, 90 per cent of the pilots of which were Canadians, but working in a squadron, that went by another name.

Mr. JACKMAN: If you do that, you do not get the senior commands for Canadians.

Mr. POWER: That is an objection. If the Canadians remained all together as an integrated unit in the Canadian air force, the chances of promotion for our men would be less than when they were spread all through the Royal Air Force, because in the Royal Air Force, spread out as it is, Canadians have chances in any number of squadrons, whereas in our own squadrons they would have chances of promotion only in the limited number of squadrons we have.

Mr. JACKMAN: But vice versa, if you have Royal Air Force squadrons composed 90 per cent of Canadians, you will find that the senior officers are Royal Air Force men, not Royal Canadian Air Force men.

Mr. POWER: The argument of the non-Canadians, if I may put it in that way although I do not really mean that, is that if they are not distinctly Canadians belonging to a Canadian unit, they should be looked upon as Royal Air Force and profit by the chances of promotion which come to any Royal Air Force officer. As a matter of fact, a great many of my officers argue in all sincerity that it would be detrimental to our men to form wholly Canadian units. They argue against purely Canadian units because they think our men have a better chance of promotion in British units. There are two sides to the story, but I still stick to mine.

Mr. FRASER (Peterborough West): Will this new set-up affect the advanced training of our Canadian boys in Britain?

Mr. POWER: No.

Mr. FRASER (Peterborough West): Not at all?

Mr. POWER: No. This is when you get into operational squadrons, not into operational training squadrons. Of course if our force is almost an integral part of the Royal Air Force, our men, after they have served a certain time in active operations, may be put in charge of Royal Air Force operational training. As a matter of fact, after they have done a certain number of hours on operational work, they are brought back to act as instructors or put on ground work for a certain length of time in operational training.

Mr. FRASER (Peterborough West): Then it would be better as it is, as far as the advanced training of our men is concerned?

Mr. POWER: The training is the joint air training plan as we have it in Canada, or in some cases advanced training in Britain, but that has nothing to do with the matter one way or another. We could have the advanced training here, and in all probability we shall have it here very shortly. The only reason why we did not have it here before was that the operational types of aircraft were required urgently on the other side, and they did not want to send them over here but wished to keep them over there to fight as well as to be used for training purposes. It would be a long journey for them to come over here and go back again when they were urgently required. That is why operational training units were established in Britain. That situation does not obtain to the same extent to-day, and now it will be quite possible to give operational training in Canada.

Mr. HANSON (York-Sunbury): Would the minister care to state how far our training goes in Canada, and how much training has to be given in Britain? I take it that the operational training is all given in Britain.

Mr. POWER: That has been the case, but it is not now.

Mr. HANSON (York-Sunbury): Is it proposed to give more of the training in Canada, to train them here for a longer period? It would seem that if they were trained in operational work here, it would be much more advantageous, and then within a limited time after they went overseas they would be ready to go into action.

Mr. POWER: Under the joint air training plan we brought them up to a certain stage. That was part of the plan, and until very recently it was not possible to have operational training here because we could not get the operational type of planes, since they were required both for fighting and training in Britain. There is no point in sending fighting planes over here when they are needed badly over there. But that situation has eased, and there are now operational units in this country and will be many more of them here. One of the shifts, as I called it yesterday, that we are now undergoing is to enable a longer period of training to be given here, to train men in operational work so that there will be little or nothing in the way of training required when they reach overseas and have to use the biggest or fastest type of machines.

Mr. HANSON (York-Sunbury): That is the objective?

[Mr. Power.]

Mr. POWER: Yes, and we are on the verge of reaching it. But it could not be done earlier, and it was not part of the joint air training plan anyway.

Mr. FRASER (Peterborough West): The hon. and fair member for Edmonton East (Mrs. Casselman) last night mentioned what the women in the air force were doing in her part of the country. Would the minister be good enough to explain how the training of the women is carried on? I think the ladies would like to know that. There are over 2,600 women in the air force. Are there women medical officers on the strength who check over these ladies before they are accepted?

Mr. POWER: We are training women at Havergal college and other places. I can tell the hon. member what we are training them for, but I do not know how it is done.

Mr. GRAYDON: Perhaps the Minister of Pensions and National Health could tell us that.

Mr. POWER: I think what the hon. member for Edmonton East was speaking of is the new system of dietitians. Diet was one of our great troubles. I am glad the Minister of National Defence is not here. I always say that you can feed foot-sloggers with pork and beans and bully beef, but the gentlemen of the air force, who really are university students during the time of their training, do not have to do the arduous physical work that the foot-slogging infantry man has to do. Therefore we found that the ration issued by the army service corps was too heavy for these young lads, and we had to get to work to see if we could not provide them with more vitamins, or calories—I do not know which—and, particularly in the summer time, more fruits, vegetables and salads.

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

Mr. POWER: I do not know. I shall have to get some medical man to correct this when it goes into *Hansard*. In any event, we found that the diet was too heavy for men doing the type of work required of our personnel. We had many meetings with army officials, and finally we have reached the place where the army diet and our own are approximately the same. We came to the conclusion that we should obtain the services of the best dietitians available in Canada. We went to Eaton's, Toronto, and obtained the services of a dietitian who was being remunerated at much more than we could afford to pay to her as a serving officer in the women's division: the difference, however, has been made up by a patriotic person in Toronto. We applied to other places of this kind, and

now we have seven, or perhaps eight, women dietitians, carefully selected by Doctor Tisdale, a Toronto dietitian, and others, including Air Commodore Ryan of the medical corps. We hope the results will be not only a saving of food, but that, the food being better cooked, the quality will be improved and the health of our men will be very much better.

Mr. HANSON (York-Sunbury): In other words, you are summoning modern science to your aid.

Mr. POWER: Why not? The air is the most modern of all arms of war; why not summon the help of modern science?

To come back to positions in the Royal Canadian Air Force, women's division: clerks, equipment assistants, telephone operators, general duties, cooks, nursing orderlies, fabric workers, transport drivers—those are about all the positions which are at present available.

Mr. FRASER (Peterborough West): No technicians at all?

Mr. POWER: Technicians in the sense of mechanics and so on?

Mr. FRASER (Peterborough West): Yes.

Mr. POWER: Not at present. I do not see any.

Mr. FRASER (Peterborough West): I know that in England, according to the last report received, there are only a hundred. I wondered if we had any here.

Mr. POWER: Not yet. We expect to replace 15,000 men by 15,000 women within a year or a year and a half.

Mr. FRASER (Peterborough West): Can the minister answer as regards women medical officers?

Mr. POWER: Yes, we have women medical officers. I cannot tell the hon. member how many.

Mr. CRUICKSHANK: There are two questions I should like to ask with reference to this women's division of the air force. First, are they replacing any of the men in one of the minister's offices—I do not know how to describe them, because I resent the expression used by the minister to describe the infantry—the men who will eventually win this war as they did the last war, the "foot-sloggers"? If he wishes to use that term about the finest branch of the army, I might use one in connection with his branch in at least one part. Are any of the these females used to replace the petticoat army we have had in the Jackson building?

Mr. POWER: I rather resent the expression "petticoat army we have in the Jackson building". Our men are doing a good job there.

Mr. CRUICKSHANK: What clothes are issued to this women's army?

Mr. POWER: We are doing a good job in the Jackson building, and I think the officers of the force there deserve great credit for the work which is being done on the empire training scheme. We are replacing a great many of the men in clerical positions in the Jackson building by women—clerks, telephone operators and others who are in the women's division.

Mr. CRUICKSHANK: I am glad to hear that.

Mr. POWER: We propose to do that right along. As a matter of fact, on stations 136 women take the place of 126 men, as messwomen, on general duties, as telephone operators, fabric workers and transport drivers—which is not a bad average when you come to think of it—releasing men to go overseas or to lonely stations along the Pacific coast or up in Labrador, and those are jobs which are not easy for any men, even for "foot-sloggers".

Mr. BROOKS: Like the hon. member for Fraser Valley, I rather resented the expression used by the minister a few moments ago. I know, however, it was not intended to hurt.

We have been pleased indeed with the report of the minister, and I think there is every reason to believe that his branch of the service is in very good shape. Upon that, of course, the minister and all those connected with his department are to be congratulated. However, the fact that two boats have been sunk in the St. Lawrence river may indicate that considerably more needs to be done. I believe the minister himself said yesterday that he is not satisfied by any means that all had been done that could be done.

Mr. POWER: Not, that could be done; that might be done.

Mr. BROOKS: Our services overseas are doing well. He explained the work of our airmen who are travelling through the northern part of this dominion on patrol work.

The commonwealth air training plan, known as Canada's greatest contribution to the war so far, is also recognized as a success not only by the people of Canada but by our allies. There is no reason why it should not be a success. We have heard praise—well deserved praise—heaped on the minister here. He has been called very efficient, and I am sure we all agree. That is the first essential of a successful department. Also he is the head of

the most popular service in Canada, more popular than the navy and, certainly, than the army. He has all the money he requires; whenever money is needed for the air force it is always forthcoming. All the men in his branch are active service men, not, as in the army, a hybrid, partly active and partly reserve. All these factors contribute to make a very satisfactory and efficient service. Men are more anxious to join the air force than any other branches of the service. One reason, possibly, is that they get more action. The minister said yesterday that the Canadian air force was the fighting force, I think, in Europe at the present time as far as Canada was concerned. That is the meaning I attached to his remark that they were doing all the fighting; I did not understand him to mean that they were doing all the fighting and that the British air force was doing none.

Mr. POWER: Oh, no.

Mr. BROOKS: He meant that they were doing all the fighting that the Canadian forces are doing apart from the navy. Well, young men like to get into the service for action. There is also the matter of the uniform; the air force uniform is more attractive to young men than is the army uniform.

Mr. REID: It was a mistake to do away with the kilts.

Mr. BROOKS: There is a Scotsman speaking. If someone would do away with his bagpipes on Saturday afternoons—

Mr. MacNICOL: I would rather see him have two bagpipes.

Mr. BROOKS: The air force also have better camps and better accommodation. The minister said a few minutes ago that they are the gentlemen's service. There is no question about that. It has been the gentlemen's service. They get everything they need, and about that I have no complaint.

Mr. MacINNIS: And everything they want.

Mr. BROOKS: Yes. I heard an hon. member say yesterday that they had cold storage for their salvage. From reports I have heard, it would be very much in keeping with the way in which they are treated.

Mr. POWER: I have an answer to that. Our medical officer insists that the garbage be placed in cold storage; otherwise it might contaminate the surrounding area.

Mr. BROOKS: I do not wish to introduce any discordant note into the discussion, but there is a certain amount of discrimination. To the public every man in the air force blue is a hero. I do not think they realize that for one man who is up in the air there are fifteen on the ground. Is that not correct?

Mr. POWER: Twelve to fifteen.

Mr. BROOKS: Yes; but to the public every man who wears the air force blue is a hero. I know of towns and other places in the dominion where there are both air force men and men in khaki, and the air force receive very different treatment from that given the men in khaki. There is great discrimination. It may be that the public should be educated in a matter of this kind, for it is most unfair. As regards the air crew, I listened with much pride yesterday to the minister and others as they detailed the exploits of our airmen. I know that in the last war it was a matter of pride for all of us to read accounts of such men as Bishop, Barker, Collishaw, McKeevor, Carter and other R.A.F. heroes; and the men in the present war are living up to the reputation then established. I was pleased to hear the minister say that we in Canada do not perhaps advertise the exploits of our heroes as much as we should. I remember Rickenbacker, the great United States airman, whose exploits certainly deserve great credit, but we have many Canadians whose deeds were just as great. In my own province we had an airman named Carter who in a few months made as good a record as did Rickenbacker. But while Rickenbacker's name is a household word in the United States, and indeed in Canada, for every school boy knows it, I doubt very much that Carter's name is known except to a few people in the community in which he lived. That is the difference. Therefore the minister's idea of advertising the exploits of our men is a particularly good one. But all men are not in the air. There are ground crews, those engaged in general duties and others, fourteen or fifteen men on the ground to one in the air.

There is one criticism I have to make in this connection. The attraction of the air force has, I believe, taken from the army men who should have remained in the army. It has been my experience that when representatives of the air force came to the training centres, and it was generally known they were there, a great many young men wished to see them. A good many of them went to the air force thinking they would be pilots or would be in the ground crew, but eventually most of them found themselves being used for general duties. I know of young men who, I believe, would have given far better service to the country had they remained as infantrymen or artillerymen, instead of, as I

heard one hon. member say yesterday, being used to wash dishes and sweep floors in messes and other places.

Mr. POWER: In order to get my hon. friend's opinion, as I said yesterday there is a very strong feeling that the air force should no longer go into training camps to get recruits. What does my hon. friend think?

Mr. BROOKS: I am rather of that opinion.

Mr. POWER: What about the air crew? The question is being discussed, and I am asking my hon. friend for his opinion.

Mr. BROOKS: In the basic training centres the district officers commanding ask that the R.C.A.F. be given every opportunity to get the men they need, and that policy was followed out. It was after they found that a great many of these men going to the R.C.A.F. were not making good, particularly as ground crew, or not having any opportunity of being in the air, that the difference came. They were retained in the R.C.A.F., but were used for menial jobs. All these men could and would have made good infantrymen and some might have been non-commissioned officer material.

Mr. POWER: We should certainly keep out of the standard duty field, should we not?

Mr. BROOKS: The minister said yesterday that the Minister of National Defence (Mr. Ralston) and his department were getting together on that question, and I think that is something which should be carefully considered by the different departments of our services. A good many of these men become disillusioned. They have written to me stating that they were very much disappointed that they did not get the work for which they thought they were best suited. The minister yesterday referred to the question of manpower. If I understood him aright, he said they would soon run short of air crews.

Mr. POWER: Not soon.

Mr. BROOKS: But there was the possibility of it. I believe he also stated that there were about 13,000 young men, graduates of high schools and colleges, who were available each year. Is there no possibility—as a matter of fact I think the minister mentioned it—of promoting young men from these ground crews and then bringing in men from the outside for their particular work. There is also the matter of the exchange of men from the army. I mentioned a moment ago that there were men in the air force who, in my opinion, should not be there, and I think there are also men in the army who would be better in the air force. If there were some liaison along this line there could be an exchange of men to the benefit of both services.

I have a number of questions which I intended asking, but most of them have already been asked by other hon. members. Last year the minister told us that he hoped that by September, 1941, he would have twenty-five squadrons, called Canadian squadrons, in the R.A.F. I understand he has twenty-two. I have been very much interested in the debate as to whether these Canadian squadrons should be R.A.F. or should be Canadian. I appreciate the arguments which the minister has presented to us both for and against this possibility.

One thing he did not mention in that connection occurs to me. We read continually, as an almost nightly occurrence, of the Royal Air Force having made a trip over Europe. But we never read that the Royal Canadian Air Force has made a trip over Europe. The minister says that 90 per cent of the men in some squadrons are Canadians; yet it is always called a Royal Air Force squadron that went over and bombed Germany. That is the report which appears in the papers of the United States and other countries. It would be a splendid thing, and would give our allies a better conception of what we are doing, if we had in England a separate Royal Canadian Air Force, and if our men received credit for the work done by them.

Mr. POWER: On many occasions when some of our twenty-five or twenty-two Royal Canadian Air Force squadrons take part in a raid it is always announced as a Royal Air Force raid, although only two or three squadrons in the raid might be Royal Air Force. That is one good reason for Canadianization.

Mr. BROOKS: That is the point. Last year the minister told us these Canadian squadrons were using British ground crews. Are we using Canadian ground crews at present?

Mr. POWER: They are pretty well filled up now. We are sending them over continually.

Mr. BROOKS: I think the minister also said last year that Britain still supplies our squadrons with aeroplanes and other necessities at a flat rate of $3,000,000 per squadron. Does that still hold?

Mr. POWER: They are still supplying the aircraft. We do not ship aircraft from here directly to our squadrons.

Mr. BROOKS: Another thing I think the minister should do is give a breakdown of the figures given yesterday, $344,000,000 for the joint air training plan and so on.

Mr. POWER: What particular breakdown does my hon. friend want? I gave some kind of breakdown showing the principal items on the following page of *Hansard*.

Mr. BROOKS: That is what I want; I had not noticed it. There is one other matter which appealed to me in the minister's address yesterday. In closing, he said he hoped that there would be a truce to our internal dissensions while the united nations air conference is meeting in Ottawa. I am sure we all agree with that sentiment. In fact I see no necessity for dissension at that time or any other. I can say this to those responsible for dissension —someone must be responsible, but it is not my intention to try to fix responsibility—that such people are doing a great disservice to the cause which they think they are championing, a great disservice to Canada, which should be united at this time from coast to coast, and a great disservice to the cause of liberty, their liberty, the liberty of Canada and the liberty of the world, which is in deadly peril. I see no reason why there should be any dissension in this country at a time of crisis such as the present.

Mr. CASTLEDEN: With regard to the breakdown mentioned, I notice in the pay and allowances the amount is twice as great as the figures for last year; whereas in regard to clothing it is $18,000,000 as against $10,000,000. With regard to rations the estimate is a little over two and a half times as much; ammunition, over four times as much, which may be readily understood; and gas and oil, over twice as much, but for engine overhaul it is four times as much. Would the minister give a statement regarding the item of engine overhaul? How much is done by the aircraft repair depots and how much let to private corporations, and is it the intention of the department to do all this work through their own repair depots, or to continue the policy followed heretofore?

Mr. POWER: I do not think it is our intention ever to do it all through our own repair depots. I cannot give the particular reason for the increase except that we have more planes flying this year than we had last. It seems to me that the civilian contractor's organization has a distinct and definite function in this joint air training plan. It would cost us a great deal more to run all these service repair depots right across the country. The civilian contractors are, I believe, mostly manufacturers of aircraft. They carry on the work in conjunction with their work of manufacture. We could not possibly be expected to manufacture aircraft. It appears to me a logical thing to go to the manufacturer when we require spare parts or repairs.

Mr. CASTLEDEN: Gas and oil is $20,000,000 this year as against $9,000,000 last year, but overhaul is nearly four times as much—

Mr. POWER: I suppose more machines require overhaul.

Mr. HOWE: If I may interject, since this work is mostly in my department, the older a plane gets, the more overhaul it requires. A new plane does not require any overhaul for several months; then it requires heavier overhaul each period it is in service.

Mr. CASTLEDEN: Yes; I understand that. Then, with regard to the home war establishment under overhaul, I notice that the amount is increased manyfold, while for the British commonwealth air training plan for this year the estimate is almost three times as great as last year; the purpose being, I presume, to provide defence for Canada.

Mr. POWER: More for the defence of Canada, and our supply of training planes being pretty well up to date.

Mr. CASTLEDEN: Then I notice that clothing and necessaries for the home war establishment are increased from less than half a million to three and a third million.

Mr. POWER: There are more men, more squadrons.

Mr. CASTLEDEN: But the pay and allowances are only twice as great, whereas the other is six times as great.

Mr. POWER: You have me now. I will find out.

Mr. BLACKMORE: One matter was not dealt with to my satisfaction yesterday afternoon when the hon. member for Davenport was questioning the minister concerning increased production of planes and increase of airmen. The minister made several remarks which are hard for me to understand. The hon. member for Davenport said, as reported at page 2352 of *Hansard:*

> Perhaps no one else could have done as much, but it is possible that he could do more to train more aviators here, and also order more planes.
>
> Mr. Power: I am sorry to say we have so far fulfilled our contract that they do not want any more at the present time.
>
> Mr. MacNicol: Well, that passes all comprehension.

I second the motion as to that. Then the minister said:

> Mr. Power: It is not my business.

Who is it that gives the orders with respect to the construction of planes in Canada, and with respect to the number of men who are to train? Is Canada acting at the instance

and under the direction of some committee that is over all the united nations and telling Canada how much she can do? Is that the idea behind the minister's statement?

Mr. POWER: If my hon. friend had understood what the joint air training plan is, he would have understood that it is a plan under which four of the nations, namely Great Britain, Canada, New Zealand and Australia, got together in order to train a certain number of pilots, gunners and observers. Canada is the administrative manager of the scheme. We undertook to turn out so many pilots, gunners and observers per month or per year, whichever period the hon. member wishes to fix. We have turned out not only the number we contracted for in the specified time, but so many more. At the present time these men must be fitted into the planes. They must have the planes on the other side to put them in. Whether they have them there or not, I cannot say. But at the present time we have a certain surplus over and above our contract. Fortunately we are able to use them for training in Canada, for the defence of Canada. With respect to the purchase of aircraft, I have nothing at all to do with that. I order the aircraft necessary for training, or for the defence of Canada, but not of Great Britain. The Minister of Munitions and Supply finds them.

Mr. BLACKMORE: What I get out of what the minister says is something like this: The general committee in charge of these four nations—

Mr. POWER: No, the four nations of the British commonwealth made a bargain three years ago to do such and such a thing at such and such a time. We have done it, and done more. That is what we claim. Unless I were to continue to expand to such an extent that I could not get the pupils in, I cannot expand my plan any further at the present time. These schools require people to come into them. If I were to double the number of training schools or the number of planes, where in the world would I get the air crew to put in to train them?

Mr. BLACKMORE: I hope the minister will not think I am criticizing.

Mr. POWER: I only wish the hon. member to understand.

Mr. BLACKMORE: I think the minister is deserving of high praise. I have not spoken previously in this debate, but I am expressing my thoughts at this time. Nevertheless, as a member of the British commonwealth of nations, and realizing, as several hon. members have said already that we are losing battles every day because we lack aeroplanes and pilots to man them—

Mr. POWER: No, we do not lack pilots. We have pilots. I have given them pilots. That is the point I am making.

Mr. BLACKMORE: Do we lack aeroplanes?

Mr. POWER: I do not know. I have nothing to do with aeroplanes. I have to give them pilots.

Mr. HOWE: Perhaps I can clear the atmosphere by saying that Canada is making all the aeroplanes it can make. We are supplying planes on government order from Great Britain and on government order from the United States. Our planes are going to several countries besides Canada. But the industry is expanding as rapidly as we think it can be expanded.

Mr. MacNICOL: But were we not shut down in the making of Hurricanes in Fort William last year?

Mr. HOWE: No, we were not.

Mr. MacNICOL: Yes, we were, for several months.

Mr. HOWE: I was asked a question and I answered it. I am now told my answer is untruthful. Fort William is within three miles of my own riding.

Mr. MacNICOL: I know that.

Mr. HOWE: That plant has never had less than 5,000 men employed in the last year.

Mr. MacNICOL: I asked a question, but the minister is always very prompt; he is always very sharp at giving answers. I have it on the authority of one of the heads of an aeroplane company, whose name I will not give, that during last year for five or six months the manufacturers of Hurricane bombers in Fort William were not making bombers because they did not have the orders. I understand the minister to say now that last year the company manufacturing Hurricane bombers at Fort William was running at capacity, and was making Hurricane bombers every month. If so, I will take *Hansard* and send it to the gentleman who gave me the information. Either that gentleman is wrong or the minister is wrong, one or the other.

Mr. HOWE: The Fort William plant received an order for Hurricane planes late in 1940. It still is working on the order for Hurricane planes. It has been running continuously. It has never been closed down one day for lack of orders. It has had orders.

The hon. member for Fort William is here and, if you like, he will confirm it if my word is not good enough. I think it is disgraceful to peddle that sort of gossip. There has been too much of it here, and I am going to say a few words about it when I speak—just put a few statements on *Hansard* and give the real facts.

Mr. MacNICOL: I resent the minister's use of the word "gossip". The information was given to me by the head of one of the aeroplane companies in this country.

Mr. HOWE: Will you give his name?

Mr. MacNICOL: I will mark the word "gossip" and send it to him.

Mr. HOWE: Mr. Chairman, if the information is untrue, having said so much I think the hon. member should give the name of the man who told him.

Mr. MacNICOL: No, I will not give the name of the man, but he is a good friend of the minister.

Mr. HOWE: It is gossip. It is a statement that is untrue, but it is stated in this house as a fact.

Mr. McIVOR: I think the committee wants to get into the Department of Munitions and Supply and let the minister for air come down out of the air.

Mr. BROOKS: Why not come down yourself sometimes?

Mr. CARDIFF: I think all hon. members will agree that the progress which the Royal Canadian Air Force has made in the past two years is evidence that the minister's heart and soul are in his work. Last year he advised us with respect to alterations in the length of some of the training courses, and indicated that in some instances they had been shortened. Will he advise the committee what changes, if any, have been made in the last year in this respect, and give us the reasons therefor? I have particularly in mind that the observer course had been altered, and that the period of training with respect to navigation—

Mr. POWER: May I interrupt the hon. member. I am not permitted to give details as to the length or duration of courses. I am asked not to, and therefore I would ask the hon. member to cut short his question, right at that point.

Mr. CARDIFF: Very well.

Mr. POWER: I have been asked by higher authorities not to discuss the length of courses, because one might give information which might be of value to the enemy.

Mr. BLACKMORE: I am relieved to hear the minister say that we have more pilots than we have planes.

Mr. POWER: I should not like that to be said, because it would not be fair. It would not be quite fair to put it exactly in that way. May I put it in this way: We have fulfilled our contract. That is to say, we were asked by the British commonwealth to deliver so many pilots at a certain time. Not only have we fulfilled that, but we have done more than that. I do not wish to go any further, if my hon. friend would permit, in that connection. Perhaps I was a little indiscreet to say what I did say yesterday, anyway.

Mr. BLACKMORE: Far be it from me to ask the minister to say anything which would in any way embarrass the people who are carrying on the war, but a member of parliament has some things brought to his attention which it is his duty to look into. I was told by a man, who I thought should certainly know what he was talking about, that they already had more planes than we had pilots to man them.

Mr. POWER: If I may interrupt my hon. friend, I would very much prefer it if he would come to my office at six o'clock, when I will discuss this matter fully with him. I know I am probably as much to blame as anyone for having brought up the matter in this house, but I do think it is a matter that should not be further discussed here. I am sorry to have to ask my hon. friend not to proceed further; but if he will come to my office I shall be only too glad to give him in confidence all the information I have at my disposal. I should prefer that the matter be not further discussed here, because I think really I am at fault for having gone as far as I have already.

Mr. BLACKMORE: The minister will realize, I think, that what is already on *Hansard* has caused considerable anxiety.

The CHAIRMAN: Order. I should like to point out to hon. members that when a minister of the crown states on his ministerial responsibility that in the public interest he cannot go beyond a certain point, it would be out of order to press him any further.

Mr. BLACKMORE: I was not going to ask the minister any further questions. I was merely going to explain why I had been pressing up to this time. If it would be in order to ask the minister this, I just want to know whether, if the quota of Canadian trained pilots is filled, the minister allows that to affect the number of men who are going through. In other words, does he keep these schools running at full capacity all the time?

Mr. POWER: Oh, yes.

Mr. BLACKMORE: Then that relieves my mind.

Mr. POWER: We can use these men in Canada, for the defence of Canada. We have plenty of room for them here, and we shall have plenty of planes for them shortly, if we have not already. I say my quota is full for the moment, but there is no reason why we should not keep on turning out men according to plan, as fast as we can. But I cannot double it.

Mr. BLACKMORE: I appreciate greatly having that on *Hansard,* because it does explain away something that raised a real difficulty in my mind.

Has the minister all the money he needs to run his department? Is the amount which has been apportioned to him out of this $2,000,000,000 appropriation as much as he feels he can economically use?

Mr. POWER: I am always asking for more. Last year I think I spent $400,000,000. I asked for $420,000,000, but I imagine I probably committed myself for another $200,000,000, so that is the position. I do not think there is any disposition on the part of the government to stint the department in any way, when we ask for things that are considered legitimate. They must always go through the treasury board and the war committee, and the funds are checked, but I do not think this department has ever been denied the funds which it legitimately required to carry on its operations.

Mr. BLACKMORE: That is also a good thing to have on *Hansard,* and I am relieved to hear that the minister is not being stinted in any way. We are in an age in which no minister should be stinted in any way—

Mr. POWER: Hear, hear.

Mr. BLACKMORE: —with respect to the conduct of the war. I was interested to find out whether the minister was being treated as he should be.

Mr. HANSON (York-Sunbury): There is a question of principle raised by the suggestion of the minister. Of course there are times when in the public interest he cannot divulge information to the house; but if he invites to his office a private member and gives him in confidence information that is denied to other hon. members, does that not raise a matter of principle at once?

Mr. POWER: The only answer I could give—

Mr. HANSON (York-Sunbury): I should think that would not be a desirable situation, and I am saying this in a kindly way. If information of a confidential nature is given to the hon. member for Lethbridge, why should it not be available to every hon. member? That is the question I raise.

Mr. POWER: Here is the information I get, after having raised that very point. I am told that information placed on *Hansard,* which is an official document, is considered to be of far more value to friend, enemy or whoever is looking for information, than that which appears in the newspapers, let us say, as the result of a press conference or a public speech. It is for that reason that I am told I should not place on the pages of *Hansard* some of the things which I might say, perhaps indiscreetly, in a public speech or at a press conference. If there is any distinction, that is it. I am told that the crime, if there is any, is in making official statements rather than in issuing unofficial statements or making statements in speeches. Does the hon. gentleman see what is meant? I do not know why anyone who knows *Hansard* would give it any greater value than anything else, but perhaps foreigners would do so.

Mr. HANSON (York-Sunbury): I think that is a distinction without a difference. If it appears in *Hansard* it will also appear in the public press, if it has any news value, but I do not think the mere appearance in *Hansard* itself would be very harmful. It all goes back to the primary question of whether the information should be divulged at all. If the nature of the information is such that it should not be divulged, certainly it should not appear in *Hansard* or in the newspapers. Then why should it be given to a private member in confidence, and not to other hon. members?

Mr. POWER: The hon. gentleman may be right; I am not prepared to argue that.

Mr. HANSON (York-Sunbury): It is a moot question.

Mr. POTTIER: As reported at page 2339 of *Hansard,* in referring to expenditures, the minister gives the amount of $447,000,000 as the total actual expenditures up to the present, including commitments up to March 31, 1942. Prior to that he referred to what is going to be the total Canadian expenditure, indicating that under the plan it will be $542,000,000. What is included in the $447,000,000. Is that Canadian expenditure, or is it the expenditure of all parties? If it is the expenditure of all parties, does it include contributions in kind by the British government?

Mr. POWER: Oh, no.

Mr. POTTIER: What does the $447,000,000 cover?

Mr. POWER: If I am not mistaken, that is the expenditure by Canada; I will have to check that. That is either the expenditure by Canada or the expenditure by this country on behalf of Australia and New Zealand; I would have to find that out. Certainly there is no expenditure there on the part of Great Britain, because that is payment in kind.

Mr. POTTIER: Then there is a reference to the cost of the plan. As I understand it, that plan expires in March, 1943.

Mr. POWER: Yes.

Mr. POTTIER: What is going to happen when March, 1943, comes round.

Mr. POWER: That is what we are having a conference for next week.

Mr. JACKMAN: Would the minister enlighten the committee just a little more on the division of expenses for Royal Canadian Air Force personnel and equipment outside Canada? Possibly if I had a better understanding of the agreement dealing with the commonwealth air training plan, I might not need to ask some of these questions. For instance, do we pay for all our personnel in Great Britain and the other fighting fronts, for the aeroplanes which they use and the cost of maintaining them? If not, what is the quid pro quo that we give in return? Do we give it under the air training plan? I notice in the estimates which the minister brought down, that the amount allotted for expenses overseas is relatively small compared with the total. I do not think the people of Canada have very much understanding of how much of the expense of the commonwealth air training plan is borne by the Canadian people, and how much of the expense of maintaining our boys fighting overseas is borne by us and how much by Britain. Would the minister make a general statement as to the division of expenditure?

Mr. POWER: Our headquarters overseas and our three original squadrons are paid and maintained, as to both equipment and aircraft, by us. That is Canada's direct contribution—the headquarters overseas and the three original squadrons. We pay for the aeroplanes, pay and allowances, and everything else connected with that.

With respect to the empire training plan, that is a training organization, and every graduate, from the moment he is posted overseas, belongs to the Royal Air Force. They are Royal Canadian Air Force, but they belong to the Royal Air Force. Under clause 15 which I read some time ago, the Royal Air Force pays them, and we make up the difference out of our own bounty, so to speak.

[Mr. Pottier.]

Articles 16 and 17 of the agreement read:

16. The government of the United Kingdom will, subject to the provisions of article 17, provide the pay, allowances, pensions and other non-effective benefits, maintenance and other expenses of the pilots and aircraft crews who are trained in Canada (other than those made available for service with the Royal Canadian Air Force in accordance with the provisions of article 14)—

Those are the men who stay in Canada.

—with effect from the dates of their embarkation in Canada for service with, or in conjunction with, the Royal Air Force. The government of the United Kingdom also undertakes to arrange for those pupils who are made available for service with, or in conjunction with, the Royal Air Force, to be embarked as speedily as possible after the completion of their training, and to defray the cost of their passages to the stations to which they are appointed on leaving Canada.

17. The pay, allowances, pensions and other non-effective benefits, maintenance and other expenses, for which the government of the United Kingdom undertakes liability under the provisions of article 16 will be as laid down in Royal Air Force regulations. If it should be decided by the government of Canada, the government of Australia, or the government of New Zealand to supplement the amounts so issued, any such supplement will be borne by the government concerned.

That is what we are doing. Our own men are paid by the Royal Air Force, and we supplement the amount with regard to the aircraft and the twenty-two squadrons. The aircraft is supplied by the United Kingdom government.

Mr. JACKMAN: Who pays for it?

Mr. POWER: They pay for it.

Mr. JACKMAN: How do the financial accounts really stand, if you can determine them at all? We gave a billion dollar credit to Britain recently, but now we learn that our boys who are fighting in the old country are maintained at the expense of Britain and, in some instances, paid by Britain.

Mr. POWER: Oh, yes.

Mr. JACKMAN: Is there any way of computing just what Britain's contribution is for maintaining and servicing Canadian fighters overseas whom we look upon as our fighters, and what is Canada's contribution? Is there any way of putting a dollar sign on Britain's contribution so that we can equate that against the billion dollar gift we have recently approved?

Mr. POWER: All I can say is that the balance is on our side as far as the dollars are concerned. I have been trying to get the matter straightened out in my mind and in other people's minds for a long time. Personally I think we should call the accounts

all square, say that we have spent here so much, and they have spent there so much, and let it go at that. That would be my personal view. I do not think it would hurt anybody, but of course that is unorthodox finance.

Mr. HANSON (York-Sunbury): Better keep the accounts straight.

Mr. POWER: It will take two or three generations of accountants to untangle the snarl in which these accounts are by this time.

Mr. JACKMAN: We have stripped Great Britain of all her Canadian dollar securities, and we think we have done a grand thing by giving her a billion dollar credit, but now we find that there are offsetting factors. I am not trying to raise anything contentious at all, but I think we are entitled to know and the people of Canada are entitled to know, as far as possible, how things stand. If that cannot be done, as the minister has just indicated, we must all look upon it as a joint war in which we all are glad to do what we can.

Mr. ROSS (St. Paul's): We pay the dependents' allowances for the Royal Canadian Air Force. A pilot earns $197.50 a month, I understand, and he is paid over there. What portion of that amount is he allowed to send out of Britain to his family in Canada?

Mr. POWER: I do not know. He is paid at Royal Air Force rates. I suppose he could assign as much as he likes, but there may be some limit. I think the hon. member for Royal would know what the limit is.

Mr. BROOKS: The point is how much money he is allowed to send out of Britain, in view of the exchange situation.

Mr. POWER: His British pay? I could not say.

Mr. NOSEWORTHY: Last night I asked the minister whether in locating aerodromes for the air training plan any consideration was given to the possibility of their being used in a commercial air service after the war. Would the minister care to answer that question?

Mr. POWER: I do not think consideration was given to that. On two or three occasions I have read into *Hansard* statements indicating the factors which governed in the choice of aerodromes, and the considerations were largely military. I do not think any consideration was given to what one might call the salvage value of these aerodromes after the war.

Mr. NOSEWORTHY: Is it not true that the private schools to which the minister referred are strategically located so that they can be of value after the war?

Mr. POWER: Perhaps that word was wrongly used. We might say that they are, but not deliberately so. Some of them are. I would not think the aerodrome at St. Johns, Quebec, would be strategically located from that point of view, nor would the Chatham location be particularly well strategically located.

Mr. HANSON (York-Sunbury): That is the air training school?

Mr. POWER: The air observer school. The question is, are they strategically located so as to be of commercial value to these companies after the war? I do not know that Chatham and St. Johns are particularly well located for that purpose. I suppose that, as far as the west is concerned, almost anywhere on the prairies would be a strategic location for an aerodrome.

Mr. HANSON (York-Sunbury): What the minister is saying is that they were not located in the first instance having that factor in view?

Mr. POWER: No.

Mr. HANSON (York-Sunbury): While I am on my feet I want to refer to the Pennfield Ridge station. The minister yesterday indicated that the field could not be used for the purposes for which it was designed because of lack of sunshine.

Mr. POWER: Stars, I think it was. Astronavigation.

Mr. HANSON (York-Sunbury): I understand the position was that it was not advantageous to use the location because of the height of the clouds.

Mr. POWER: That is right.

Mr. HANSON (York-Sunbury): That is an entirely different matter. I should like to have that made absolutely clear.

Mr. POWER: I stand corrected.

Mr. HANSON (York-Sunbury): Because the clouds there are two or three miles high, too high for the operational training which was going on there. I would not want to have it understood that it was lack of sunshine or that the stars were too far away. I understand that the school has been moved to Rivers, Manitoba, where another condition obtains. What use is being made of the very expensive plant?

Mr. POWER: It is going to be put to full use.

Mr. HANSON (York-Sunbury): It cost a tremendous amount of money. The work could have been done a good deal cheaper if it had been done by tender. However, I am not criticizing.

Mr. POWER: That is true. I am willing to agree with that.

Mr. HANSON (York-Sunbury): But speed is the important factor, not the dollar cost. What is it being used for now?

Mr. POWER: It is being put to very good use.

Mr. HANSON (York-Sunbury): The minister does not care to say.

Mr. POWER: It is being used for operational training.

Mr. McIVOR: Since the questions to the Minister of National Defence for Air are now pretty well completed, I should like to say on behalf of the Thunder Bay district, which has two leading cities, Fort William and Port Arthur, that we are extremely proud of the Minister of Munitions and Supply. When anybody honours him we appreciate it, and when people criticize him without sense we watch them and pity them. We at the head of the lakes, and I am sure every hon. member in this chamber, will congratulate the minister upon having received from Clarkson college the degree of Doctor of Engineering.

An hon. MEMBER: He is being educated by degrees.

Mr. McIVOR: We wish him good success under the direction of the Great Architect of the Universe, that he may be long spared to carry on and keep things running smoothly, because he has always command of a sufficient quantity of oil for troubled waters.

Mr. BLACK (Yukon): What are the various ranks in the fighting air force called? For instance, what is the highest rank to which a man can attain in the air force?

Mr. POWER: I think it is Air Chief Marshal of England, and I believe it can be held only by His Majesty the King. But I am not sure of that.

Mr. BLACK (Yukon): Is it equivalent to general, or admiral, or what?

Mr. POWER: I believe that Air Chief Marshal of England is the very highest rank. I am not sure if that is the correct title.

Mr. HANSON (York-Sunbury): Then is there not an air vice-marshal?

[Mr. R. B. Hanson.]

Mr. POWER: Then there are air chief marshals. Really, I cannot tell the hon. member; I do not know. I shall never attain to those titles, in any event.

Mr. BLACK (Yukon): What are the rates of pay of the various ranks?

Mr. HANSON (York-Sunbury): Speaking of Canada.

Mr. POWER: I happen to have a list here, because the hon. member for Broadview handed it to me last night. The whole story was filed by the hon. member and it will be in *Hansard* to-morrow. The highest rank appears to be air commodore. If he is on the general list, his pay is $19 a day, and if he is on the non-flying list, it is $17. Other ranks are:

Rank	General list	Non-flying list
Group Captain.....	$15 00	$13 00
Wing Commander....	12 00	10 00
Squadron Leader....	9 75	7 75
Flight Lieutenant....	8 50	6 50
Flying Officer.....	7 00	5 00
Pilot Officer.....	6 25	4 25

Mr. BLACK (Yukon): That is, per day?

Mr. POWER: Per day. It runs about the same as in the army. I believe there is some arrangement whereby the pay is much the same as that of equivalent ranks in the army.

Mr. HANSON (York-Sunbury): Would an air vice-marshal get about the same as a major-general? We have one or two air vice-marshals.

Mr. POWER: Yes; he is paid about the same as a major-general. The only air marshal we have is the chief of the air staff; he is on a consolidated rate of pay, just as are the head of the navy and the head of the army.

Mr. CRUICKSHANK: What do the schoolteachers get?

Mr. POWER: I do not know.

Mr. CRUICKSHANK: I mean, the persons who are appointed to teach mathematics and who are made flight lieutenants and so on.

Mr. POWER: It depends on the rank.

Mr. CRUICKSHANK: Are they classified as officers?

Mr. POWER: It all depends whether the man has a commission. I do not know.

Mr. CRUICKSHANK: I cannot see the reason for such a proceeding. I know that men require this type of training, but I cannot see why a schoolteacher who goes into the air force for three or four months is promptly

made a flight lieutenant, while the men whom he teaches are flying over Berlin soon afterwards at a sergeant's rate of pay.

Mr. POWER: Why does an officer in the army who remains in Canada as an instructor get a commission as a lieutenant or a captain if he remains here for instructional purposes? I suppose, for the same reason. There is no difference in principle.

Mr. HANSON (York-Sunbury): We have an air officer attached to the Washington legation. What is his rank and what are his duties?

Mr. POWER: The air attache? Walsh?

Mr. HANSON (York-Sunbury): Walsh, yes.

Mr. POWER: He is air attache.

Mr. HANSON (York-Sunbury): What is his rank; what are his duties, and what is his pay?

Mr. POWER: I think he is an air commodore.

Mr. HANSON (York-Sunbury): Well, he is a pretty high-up officer. He gets a high salary.

Mr. POWER: Probably he gets the same salary as a military attache. I think, as a matter of fact, that is arranged. I do not remember what his name is. The naval attache is Brodeur. The military attache was Major-General Letson. I am not quite sure who is the military attache now. Their pay is all on a par anyway.

Mr. HANSON (York-Sunbury): What are the duties of an air attache? Are they really important?

Mr. POWER: I always thought they were. The duties are, liaison officer between the services. I have heard it said, and I do not repeat it in any derogatory way, with reference to various foreign powers that air attaches were spies in uniform to keep the home government informed of military developments in the country to which they are assigned.

Mr. HANSON (York-Sunbury): Is that the only method of securing information? Surely we have some better and more direct contact, now that the United States is in the war, than through an officer attached to our legation at Washington. Is there any interchange of information between the two air forces direct, or does it have to go through this diplomatic route?

Mr. POWER: I do not know. We get a great deal of information through him. There is a United States air attache in Ottawa.

Mr. HANSON (York-Sunbury): I suppose there is. That seems to be the system.

Mr. POWER: A great deal of our information comes through our air attache, in the same way that military information comes through the military man. I have never looked into the details of their functions, but they must have a distinct function because every nation in the world that has a minister seems to have attaches in the different branches. Whether that is a relic of the old days I do not know. I know that Mr. Walsh has been doing good work.

Mr. HANSON (York-Sunbury): What was his career? Was he in the air force before the war?

Mr. POWER: He has been in the permanent force. He was officer commanding in the United Kingdom early in the war and returned and became officer commanding in Montreal and was sent to Washington.

Mr. BLACK (Yukon): Is the cost of building and maintaining airports in Canada paid through the department of the minister?

Mr. POWER: Yes; the cost of maintaining aerodromes in Canada, that is military aerodromes, not Trans-Canada Air Lines. We have nothing to do with that. Certain other aerodromes are operated by the Department of National Defence for Air and a great many by the Department of Transport.

Mr. GREEN: Is there any scheme for training airmen and army men in cooperation in the two coastal areas? These two areas are supposed to be on a war basis now. Is there any scheme by which the air force train with the ground troops?

Mr. POWER: Yes; there is.

Mr. GREEN: Is that being carried out as though they were actually in fighting areas?

Mr. POWER: The extent to which it is carried out I do not know, but we have army cooperation squadrons.

Mr. GREEN: On the coasts?

Mr. POWER: They do work with the army.

Mr. GREEN: Is the air force taking steps to prepare for the training of paratroops?

Mr. POWER: I know that in the old country that is the army's job. We are not doing it.

Mr. GREEN: But is the home war establishment of the air force in a position to train paratroops?

Mr. POWER: I hardly think so. We have not been asked.

Mr. FRASER (Peterborough West): Have we any planes that could carry them?

Mr. POWER: I do not know.

Mr. CRUICKSHANK: Are the members of the air force or of the army stationed at either coast regarded as being on an actual war footing?

Mr. POWER: I do not know what my hon. friend means.

Mr. CRUICKSHANK: What I am leading up to is this. When a soldier is overseas—I do not mean in Newfoundland—he does not pay the national defence tax, and I cannot see why men in British Columbia should pay it.

Mr. POWER: I am not sure about the national defence tax, but there was a lot of difficulty about the income tax. It was considered that when a man was in an actual theatre of war he would not pay income tax. The Atlantic coast was considered to be an actual theatre of war and, I believe, the Pacific coast also. But that was not satisfactory because there were so many changes, and they got it down to the basis of so many flying hours. I cannot explain it to my hon. friend. It has been explained to me ten times and I do not understand it. It is based on the number of flying hours, and the question of income tax and the national defence tax, perhaps, is on a similar basis.

Mr. CRUICKSHANK: I have yet to see anything that the minister could not explain.

Mr. POWER: If I cannot understand it myself I cannot explain it.

Mr. CRUICKSHANK: The minister might find an explanation that would not be satisfactory to me, but he would find an explanation. I had a letter yesterday in that connection from some of his own people. We are doing as good work in patrolling the Pacific and the Atlantic for submarines and what have you, as anyone else is doing, and I cannot see why these men should not have exemption from national defence tax. If they patrol hundreds of miles out on the Atlantic or the Pacific they are taking the same chance as other men.

Mr. POWER: I think they are getting it, but I do not know in what form.

Mr. NOSEWORTHY: The minister told us yesterday that the air force was experimenting with the use of gliders. In view of the hazards of shipping our fighter planes overseas, has it considered the possibility of using gliders to carry extra fuel in order that our fighter planes may travel under their own power? I understand that has been worked out by the axis powers and is used extensively.

Mr. POWER: I do not know, but if I did I am afraid I could not tell my hon. friend anyway.

Mr. GREEN: A few weeks ago we had complaints on the Pacific coast that men of the ground crews, mechanics and other skilled men, were being used at some of the coast bases for making roads. There might have been some reason for that, but on its face it does not seem reasonable. Perhaps labour companies or some similar formations should be set up to do that type of work. Why are trained men, skilled mechanics, used in that way? It is hard on the morale of the men in the force, and it is difficult to explain to the general public.

Mr. POWER: I cannot tell my hon. friend, but I am sure that if they were used to any great extent I would have heard about it.

Mr. GREEN: You are hearing now.

Mr. POWER: I have no explanation of it. I am sure we are not using skilled mechanics to make roads unless there is a good reason, and I am sure that the man who told my hon. friend about it said that there was no reason at all and that he was badly treated. They usually tell me that when they write to me.

Mr. BROOKS: If they are not busy at something else, would it hurt them to build roads?

Mr. POWER: Not a bit.

Mr. GREEN: But when mechanics are so badly needed, if not in the air force at any rate in the army, they should not be put on that work.

Mr. POWER: They may not have a steady job working at mechanics the whole day. If they have six aircraft that do not go up for six days because of six days of fog, they might just as well do a little bit of work on the roads while the fog is on. There is fog in British Columbia too.

Mr. NOSEWORTHY: Would the minister answer a question I raised regarding the cost of living bonus to the dependents of airmen?

Mr. POWER: That is a big question. I would have to take it up with my colleague, the Minister of National Defence, and particularly with my colleague the Minister of Finance. He is the man to answer that question.

Mr. JACKMAN: Since speaking about the situation of those Canadians who are enlisted with the Royal Air Force, I find that some 500 or 600 approximately left Canada at the outbreak of war and enlisted in the R.A.F. in the old country. I suppose there are many men there who feel this discrepancy of lower rates of pay plus the British income tax. The number must be considerable, and these men are not able to speak for themselves. I hope the minister will give serious consideration to the matter. It is possible that some men do not wish to remuster in the R.C.A.F. but to those who do—and some do prefer to remuster—I hope every consideration will be given because these men have shown, if you will, an excess of loyalty. They were the first to volunteer when the war broke out, and everything should be done to put them on an equal basis with those who have gone over since.

I would bring to the attention of the minister a point raised by the hon. member for Broadview (Mr. Church) as to whether or not consideration is being given to forming a Royal Canadian Air Force regiment such as they have in the old country for the protection of aerodromes. I am not stating that there is a positive need for this at the present time, but I should like to hear from the minister what consideration has been given to the matter of protecting our aerodromes against possible raids, say from aircraft carriers, and whether any consideration has been given to the formation of a regiment.

Mr. POWER: At the present time we look after internal security within the perimeter of the aerodrome, sabotage and that kind of thing, while the army defends us against anything else.

Mr. HANSON (York-Sunbury): On the question of remustering of Canadians, I have in mind a very gallant young Canadian who went over on his own before the war. I think I told the story in this house when I came back from England. He is now a squadron leader. He has won the distinguished flying cross. In a conversation I had with him he wanted to know what future there was for him and men like him in Canada after the war. Certainly there will not be much opportunity for him in England, unless he wins great distinction there and gets further promotion, because there are so many in competition with him. If such a young man, coming back to this country after a distinguished career, could be allowed to remuster into a Canadian force, he would have a chance for the future, which he thinks lies in that direction. I merely mention him as an illustration of many boys who, like him, went over on their own before the war. Let them get into the Royal Canadian Air Force. Then, when the war is ended, if they are fortunate enough to be alive they will come back to Canada as members of the Royal Canadian Air Force. It seems to me that a unique opportunity to consider and discuss this matter is afforded in connection with this coming conference.

Progress reported.

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

Thursday, May 14, 1942

The house met at three o'clock.

PRIVILEGE—Mr. CHURCH

ENEMY SUBMARINE ACTIVITIES OFF THE ATLANTIC COAST

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I rise to a question of privilege growing out of the remarks yesterday of the Minister of National Defence for Naval Services (Mr. Macdonald). The minister asked me for information and he mentioned something about innuendoes. I have the information referred to now. I shall not read all this information, but I will state where it can be found. First, it can be found under my name in the indices of *Hansard* 1937 to 1940, where I urged rearmament. During these years I brought up the submarine menace and the coming war with Italy, Germany and Japan, and stated that submarines could cross the Pacific without refueling. Second, I gave a statement, the same years, about the submarine menace to Canada and urged the government not to wait until they came up the St. Lawrence. Third, there are the references in Washington and London newspapers to General de Gaulle and the status quo with Vichy. Fourth, the subjects considered by our defence board. Fifth, the visit to Ottawa of the naval heads of this country and the speeches made by them about the coming invasion in the St. Lawrence. In addition, there is *Hansard* and the returns which have been made to this house in connection with metals sent to axis countries, such as copper, nickel, pig iron, scrap iron, aluminum to make U-boats. It was with the view of helping the minister and encouraging him that I brought up this matter. I only want to help the minister.

The minister was under a misapprehension until he got the note I sent him yesterday. I did not say the Germans had "bases" in the St. Lawrence or on these islands. I said

they sought shelter and hiding in the inland creeks. During the debates this session I referred to Hitler's spring offensive for 1942, already begun, and my remarks will be found in *Hansard*. I said that he would seek a knock-out in 1942 on the Atlantic to cut Britain's life line. I referred also to the menace to the American continent from the Atlantic and Pacific with perhaps an invasion of Canada from our front, side and back door. The extract I wish to read is from one of the most able papers in Great Britain, the *National Review*. I shall read just the relevant parts of this article which appeared in the February issue, page 121. The writer is the ablest man in this war; he has predicted everything that has happened so far. Referring to St. Pierre and Miquelon, he says:

Some weeks ago, Admiral Muselier, the commander of free French navy, did the allies the signal service of landing on St. Pierre and Miquelon, two French islands near Newfoundland, and taking them over in the name of General de Gaulle. He did this in response to a request from the inhabitants, who found themselves at odds with the Vichy officials who were still governing them. The sturdy descendants of Breton fishermen who live on the other side of the Atlantic had no mind to see their islands used against Canada and the British in the event of Vichy turning them over to Hitler.

Then follows reference to the same matter to which I referred, and the article continues:

During the ruthless German attack on our Atlantic shipping, it was criminal to leave such a nest for pirate-protection free to work its mischief. We do not know whether the attention of the British and American governments was called to what was going on. It seems probably that it was, for the activity of the Vichy friends of Germany was well known, not only to the fishermen on the islands—there are several thousands of them—but to the British in Newfoundland, barely twenty miles away. In any case nothing was done, the Monroe doctrine being invoked to defend inaction, while an agreement that there should be no disturbance of the American status quo during the war, was further used to produce inertia.

The last sentence reads:

Seeing that there would be no betterment in the affairs of their island from the two great powers, the inhabitants of St. Pierre and Miquelon appealed to General de Gaulle, who acted with military promptitude, and sent Admiral Muselier to seize the islands in the name of free France. This was done. The United States of America protested at once, and their press supported them, while certain elements in Canada were doubtful. A valuable passage in Mr. Churchill's Ottawa speech brushed away the anti-de Gaulle talk. The names of the Free French, he said, "will be held and are being held in increasing respect by nine Frenchmen out of every ten."

I think this is sufficient explanation. Further, I believe it is correct. I should like to give the minister some other papers along the same lines, but they are in Toronto. I would point out also that various matters the minister speaks of as being private were known to the axis powers, as everything we do is known; so why the secrecy? I refer him to Ribbentrop's speech and radio talks about Canada since the war began, about the great lakes and the lack of defence on our two coasts. He lived here for years and got all the information.

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): As I understand the statement made yesterday by the hon. member for Broadview (Mr. Church) it was a statement of fact, namely, that for nearly the past two years German U-boats have sheltered in the creeks, inlets and harbours of St. Pierre and Miquelon where they flashed signals at night from the shores in order to help to sink Atlantic shipping. I asked the hon. gentleman yesterday if he were prepared to make that statement as a statement of fact on his responsibility as a member of this house and I have not been able to gather to-day that the hon. gentleman takes that responsibility. Does he state that he knows it to be a fact that there were German U-boats sheltering in the creeks and inlets of St. Pierre and Miquelon for the last two years?

Hon. R. B. HANSON (Leader of the Opposition): He states it on the basis of an article in the *National Review*. No one member of this house could give it as his own personal information, but he states it on the basis of what he considers is reliable information. It may not be true, I do not know.

Mr. MACDONALD (Kingston City): I regret to say that I was not able to understand everything the hon. member for Broadview said. Does the article in the *National Review* state definitely that there are bases in St. Pierre and Miquelon?

Mr. HANSON (York-Sunbury): I think that is correct.

Mr. MACDONALD (Kingston City): I hould like to see the *National Review* and the other documents referred to by my hon. friend before attempting to give an answer.

Mr. HANSON (York-Sunbury): I think that is fair.

Mr. MACDONALD (Kingston City): I have never seen it stated anywhere that German U-boats were sheltering in these islands. It may have been stated, but I have

never seen it. I stated yesterday, and I repeat it to-day, that we know that German U-boats can cross the Atlantic, pursue their nefarious trade on this coast, and return to their European bases without the necessity of refuelling.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

1942 VICTORY LOAN—BANK LOANS TO INDIVIDUALS AND CORPORATIONS

Mr. QUELCH:

What amount was loaned by the chartered banks to individuals and corporations for the purchase of victory bonds in the 1942 campaign?

Mr. ILSLEY:

Loans as at March 31, 1942

Instalment subscriptions under the official plan	$ 50,594,437
Loans against security of second victory loan bonds...	159,209,496
	$209,803,933

N.B.—The above figures include those for the Montreal City and District Savings Bank.

MONTREAL DISTRICT MARKET GARDENERS—SHORTAGE OF LABOUR

Mr. JEAN:

1. Is the government aware that the market gardeners of the district of Montreal are suffering from a labour shortage?

2. If so, have any steps been taken to deal with this situation?

3. What is the nature of such measures?

Mr. MITCHELL:

1 and 2. Yes.

3. The appropriate provincial authorities have made a survey of the situation and have conferred with the Ministers of Labour and National War Services. The plan being followed is to enlist voluntary assistance from senior students and other sources to work under the leaders of various group organizations. Assistance has been asked from the Department of National War Services in the matter of giving special consideration to requests for postponement of the period of military service of certain group leaders and such special consideration has been arranged. At the interview with officials of the provincial governments and those actively engaged in the solution of this problem it was stated that the granting of consideration along the line above referred to would permit of the shortage being met to a reasonable degree.

"CANADIANS ALL"—A PRIMER OF CANADIAN NATIONALITY

Mr. CHURCH:

1. On whose instructions was the pictorial book written, "Canadians All"—A Primer of Canadian National Unity—by Watson Kirkconnell, M.A.?

2. What were his instructions, what was the cost of the book, how many copies were distributed, and what were his qualifications for such a task?

3. In how many languages was this book written, and what was the number of copies printed in each language?

4. Is the writer a returned soldier, and in what theatre of the great war did he serve overseas?

5. How many editions of this book have been published, was any part of it expunged in later editions and, if so, what parts?

Mr. THORSON:

1. On the instructions of the Director of Public Information.

2. (a) Instructions were to prepare a booklet suitable for distribution in connection with the Public Information series of radio broadcasts entitled "Canadians All"; the main theme being to emphasize the importance of national unity in time of war and to educate Canadians of every racial group concerning the contributions to our national culture and welfare being made by other groups.

(b) $16,465.26.

(c) 296,000.

(d) Professor Kirkconnell is internationally recognized as one of the greatest authorities on ethnology, particularly with reference to Canadian problems.

3. (a) Two: English and French. Section 1 of the booklet was published in both languages. Section 2 appeared only in the English edition. The French counterpart of Section 2 was published in the French-Canadian newspapers.

(b) English: 232,000. French: 64,000.

4. (a) Yes.

(b) No information.

5. Two. Following Russia's reorientation in world affairs, in June, 1941, certain passages on page 16 were revised. Also new sections dealing with Canadian Indians and Eskimos were added and the section referring to the Norwegians was rewritten. This additional copy made it necessary to delete one unessential paragraph from the section dealing with the Czechs and Slovaks.

USE OF INVENTIONS FOR WAR PURPOSES—PATENT RIGHTS

Mr. ESLING:

If pending patent applications are made secret under defence of Canada regulations, is there any provision for an inventor applicant to maintain his rights when an invention is turned over by the government to commercial concerns for the manufacture of war equipment?

Mr. McLARTY: Rights of an inventor applicant, in application made secret under the provisions of the defence of Canada regulations, are protected under the provisions of subsections (3) and (4) of regulation 19, defence of Canada regulations.

If and when a patent is issued, compensation for use may be fixed under section 19 of the Patent Act, 1935.

Attention is also called to order in council P.C. 6982, 4th December, 1940, printed in vol. 3, proclamations and orders in council, passed under the authority of the War Measures Act, at page 163.

GAS REDUCTION CARBURETTORS

Mr. ROY:

1. Have any carburettors for motor cars, capable of reducing the amount of gas consumption, been invented and patented in Canada since 1930?

2. If so, on what date, by whom, and how many?

3. Have any of these carburettors, whether patented or not, been sold to the Canadian government or the government of the United Kingdom, or to private individuals, or firms or foreign countries?

4. (a) By whom were the sales made, (b) to whom, (c) at what price, (d) where are they used?

Mr. ROY: I ask leave to withdraw this question in order to reword it.

Mr. SPEAKER: Dropped.

INTERNMENTS—RELEASE OF L. FRANCESCHINI

Mr. DIEFENBAKER:

1. When was Leonard Franceschini interned; what was the date of his release?

2. Upon what ground was his release granted?

3. Was his case considered by an advisory committee; if so, what was its recommendation?

4. On what date did the said committee report to the Minister of Justice?

Mr. ST. LAURENT:

1. Leonard Franceschini was detained on September 7, 1940, he was released on June 27, 1941.

2. He was released on the ground that it was not considered that he was likely to act in any manner prejudical to the public safety or the safety of the state.

3. Yes; its recommendation was for release.

[Mr. Thorson.]

4. The committee made its first recommendation under date of March 17, 1941; further material was supplied and a second recommendation confirming the first made under date of April 25, 1941.

NATIONAL AND REGIONAL WAR LABOUR BOARDS

Mr. MacNICOL:

1. Has the national war labour board and/or a regional war labour board authority to order an increase in a basic scale of wages paid by an employer?

2. If the national war labour board and/or a regional war labour board has such authority, under what conditions may it be exercised?

3. Has the attention of the government been directed to any decisions of a regional war labour board in which such board has exceeded its authority?

4. Has the national war labour board the power to annul decisions given by a regional war labour board?

Mr. MITCHELL:

1. Yes, under the provisions of section 11, subsection (2) of order in council P.C. 8253.

2. Answered by No. 1.

3. In three or four cases it has been claimed that the decisions of regional boards have not been in accordance with the provisions of the order but it has not been shown that a regional board has exceeded its authority.

4. No, but under the by-laws of the national board if opinion of the members of a regional war labour board is not unanimous, the case is to be referred to the national war labour board for guidance before decision is made by such regional board.

BACON—SHIPMENTS TO BRITAIN—RESTRICTION OF SALES IN CANADA

Mr. BRUCE:

1. What is the bacon quota which Canada is expected to supply England this year?

2. How much of this has already been shipped?

3. Will it be possible to complete the balance of the quota?

4. If not, has the government considered restricting the sale of bacon in Canada?

Mr. GARDINER:

1. 600,000,000 pounds.

2. During the first thirty-one weeks of the present contract period, 382,000,000 pounds have been purchased for shipment.

3. It is expected that the contract for 600,000,000 pounds will be closely approximated.

4. Answered by No. 3.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WARTIME PRICES AND TRADE BOARD—SPEAKERS

Mr. CHURCH:

1. How many employees, men and women, has the wartime prices and trade board in each province out delivering speeches, lectures and radio addresses, and writing material to be used by them, supporting policies of that board, at public meetings and banquets and at lectures?

2. What are their names, salaries, hotel bills, travelling expenses and all other expenses?

3. Who instructs the speakers, and do they state government policy at these meetings?

ROBERT SIMPSON COMPANY—EMPLOYEES IN GOVERNMENT SERVICE

Mr. MacINNIS:

1. How many persons, whose last employment or position was with the Robert Simpson Company, Limited, of Toronto, have been appointed to government boards or have been or are employed by boards or departments under the jurisdiction of the dominion government from September 1, 1939, to April 30, 1942?

2. How many such persons are at present in the employ of the government in, (a) Department of Finance, (b) Department of National Defence, (c) Department of Munitions and Supply, (d) Department of War Services, (e) Department of Labour?

3. What are their names?

4. What is the salary and/or other remuneration paid to each?

SHIPPING LOSSES

POLICY AS TO MAKING ANNOUNCEMENTS OF SINKINGS

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I desire to ask a question of the Minister of National Defence for Naval Services.

On May 12 the minister gave a statement to the press in relation to the sinking of a freighter in the St. Lawrence by enemy action. Yesterday the minister in reply to the hon. member for Davenport (Mr. MacNicol) further stated that a second ship had been sunk by enemy action in the same general locality at about the same time. In both statements the minister indicated that in future it would be the policy of the department not to make any announcement of any further sinkings in this area, on the ground that to do so might convey valuable information to the enemy; that such information cannot and will not be given in answer to questions in the house or elsewhere and in no circumstances will it be given unless the government is satisfied that the enemy will not benefit therefrom.

In view of the fact that the enemy must have information of these sinkings, and that the government of the United States are announcing their losses from time to time, and that periodically Britain has announced similar losses, I desire to ask the minister to review this policy. I suggest to him that such a policy is not good for the morale of the people of Canada. They hear these stories, in most cases well authenticated. Now and hereafter the press is censored and the public is not allowed to know the truth, and the stories grow in repeating them. Isolated sinkings in the St. Lawrence estuary are not like the sinkings on the Atlantic or in the Mediterranean, or even in the far east, in which last named locality the reports of sinkings have been published at least in the United States and in Canada. Personally, I cannot conceive that the publication of true reports of these sinkings is of any particular value to the enemy or that the censorship now imposed will prevent the enemy from knowing of the sinkings.

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Mr. Speaker, the leader of the opposition (Mr. Hanson) gave me a copy of his question just before three o'clock, and in reply to what he has just said I must say that I see no reason whatever for changing the policy announced yesterday and the day before.

My hon. friend and the house will understand me when I say that if I were to begin to explain the reasons for the policy, that in itself might be of some aid and comfort to the enemy. If I said why we are withholding this information, or if I said when would be the proper time to announce a sinking, that explanation in itself might give information to the enemy.

The government of the United States, it is true, have released from time to time news of the sinking of ships, but I think in recent weeks the policy of that government has become a little more rigid in that regard, and a great many of the reports that we see in the newspapers here of shipping losses by the United States originate, I think, in the press and news agencies of that country.

My hon. friend says that Britain announces losses. In due course they do; I agree. But the time of these announcements may vary. The loss of the *Prince of Wales* and the *Repulse* was announced almost immediately because ships of that type, of course, are easily recognizable by the enemy and the information was already in their hands. Whenever we are sure that they have a certain amount of information and the actual facts,

there is no reason why we should withhold the news, but until we are certain of that we might help the enemy by giving out the information.

My hon. friend says that sinkings in the St. Lawrence estuary are on a similar basis to sinkings in the Mediterranean or in the far east. I cannot agree. There are reasons which I could disclose in private to my hon. friend, but which I do not think I should make public, why sinkings in an area like the gulf of St. Lawrence or the estuary of the river St. Lawrence are in a very different position from sinkings, say, on the high seas.

I do not think I should say any more. I have discussed the matter with the intelligence branch of the Department of Naval Services. I discussed it again with them this morning, and I had the great benefit of having present at the conference this morning a member of the intelligence staff of the British Admiralty, who is now in this country. He agrees entirely as to the great necessity for very careful censorship of any news regarding U-boat sinkings, and the reasons he gave and the reasons the members of my own staff gave appeal to me very strongly. Consequently I feel that at this time it would be unwise to make any further statements regarding sinkings in the St. Lawrence.

POSTAL SERVICE

ANNOUNCEMENT OF NEW ISSUE OF POSTAGE STAMPS

On the orders of the day:

Hon. W. P. MULOCK (Postmaster General): Mr. Speaker, I wish to advise the house that it is expected that a new series of postage stamps which will replace the present issue will be released about July 1.

The new designs will reflect Canada's share in the war, with special emphasis on the armed forces, production of munitions and war supplies, and agriculture. The new postage stamp issue will consist of the following denominations and subjects:

One cent, green, portrait of His Majesty the King, in naval uniform.

Two cents, brown, portrait of His Majesty the King, in military uniform.

Three cents, red, portrait of His Majesty the King, in air force uniform.

Four cents, gray, Canadian grain elevators.

Five cents, blue, portrait of His Majesty the King, in naval uniform.

Eight cents, sepia, Canadian farm scene.

Ten cents, brown, parliament buildings, Ottawa and union jack.

Thirteen cents, dark green, ram tank, Canadian army.

[Mr. Macdonald (Kingston City.)]

Twenty cents, purple, Canadian corvette ready for launching.

Fifty cents, brown, Canadian munitions factory.

One dollar, blue, destroyer, Royal Canadian Navy.

Six cents air mail, blue, British commonwealth air training plan.

Ten cents special delivery, green, Canadian coat-of-arms and flags. The flags are: union jack, representing the army; the naval ensign; and the Royal Canadian Air Force flag.

Also at the same time a new sixteen-cent stamp will be issued to cover combined air mail and special delivery service. This stamp will bear a picture of a trans-Canada aeroplane in flight, and will be bluish-violet in colour.

JAPANESE NATIONALS

DISTURBANCE AT VANCOUVER IMMIGRATION BUILDING—STATEMENT OF PROCEDURE IN RELOCATION

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): I desire to ask certain questions of the Minister of Labour, based on a dispatch which appeared in the Ottawa morning *Journal* of to-day, under date Vancouver, May 13:

Army guards with fixed bayonets to-night patrolled the railway tracks in front of Vancouver's immigration building where Japanese, awaiting removal to the interior, earlier staged their first outbreak of violence since war came to the Pacific.

Late to-day, the Japanese housed in the waterfront building smashed windows, pushed an iron grating to the street and turned a fire hose upon a guard and into the street where crowds gathered.

The outbreak, described by Austin C. Taylor, chairman of the British Columbia Security Commission, as "more playful than anything else" was quickly quelled.

To-night, however, there was more unintelligible shouting and rolls of paper unfolded from the second and third storeys, Japanese faces peered from smashed windows.

Mr. Taylor said the trouble apparently resulted from refusal to allow the Japanese to converse daily with friends outside. Until to-day, Japanese women had been allowed to stand at a distance and talk to the men through the iron-grated windows. The commission chairman added that the Japanese would be removed from the building soon to road camps in the interior of the province.

"There was nothing malicious about the trouble", said Mr. Taylor, whose commission has evacuated hundreds of Japanese from the vital Pacific coast defence zones. "It was more playful than anything else. Some of the Japanese just got a little fed up about being kept in the building and got a little exuberant. There was more yelling than anything else."

Scores of passers-by were attracted to the building by the shouts that accompanied the smashing of glass. Guards on a nearby viaduct

kept onlookers at a distance as the Japanese turned a firehose out through one of the broken windows, directing the stream of water to the ground.

Although this was the first outbreak of violence, Japanese housed at Hastings park "manning depot" prior to being sent to road jobs in the interior, previously staged what they termed a "sit-down strike". They protested against the breakfasts at the local park where several thousand Japanese are housed. The following morning they ate their food and all was quiet.

Evacuation of the more than 23,000 Japanese men, women and children in British Columbia was ordered by the dominion government last January. Shortly afterwards, the B.C. Security Commission was formed to handle the evacuation and since then hundreds of Japanese have been rounded up and sent away from the coast. Some have gone to the interior and to other provinces.

My questions are: (1) what action does the government intend taking in connection with this outbreak; (2) will steps be taken to guard against any further disturbances, (3) has the present security commission any intention of removing the Japanese east of the Cascades or is it preparing a permanent camp at Hastings park, Vancouver?

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, the men involved in the fracas of which my hon. friend has just spoken will be immediately interned. That is the answer to question number one. As to question number two, the guards will be increased. In reply to question number three, the security commission is removing the Japanese east of the Cascades as rapidly as possible. The camp at Hastings park is not permanent and is simply a clearing depot. The real estate adviser of the national defence department plans on using the buildings at Hastings park for the purposes of the national defence department as soon as the Japanese are removed.

In view of the fact that this question has been raised, I think I might give a statement as to the progress which is being made with this very difficult problem.

The number involved totals 22,084, distributed as follows:

	Males	Women and children	Total
Canadian born.....	3,378	2,689	6,067
Naturalized Canadians.	1,873	4,656	6,529
Japanese nationals....	3,499	5,977	9,476
United States citizens..	12	....	12
	8,762	13,322	22,084

The plans developed so far are:

(a) Move all families off Vancouver island and other "vulnerable" locations at once.

(b) Use Hastings park exhibition grounds, Vancouver, as a clearing station, feeding depot and hospital. There is accommodation there for 12,000 people.

(c) Place 4,000 male Japanese nationals in road camps in interior of British Columbia.

(d) Place 3,000 Canadian-born males in road camps in Ontario, later clearing them out to bush camps, et cetera, as opportunity offers.

(e) Repair buildings in abandoned towns of Kaslo, Greenwood, Slocan City and Sandon for housing 5,000 women and children.

(f) Place 500 families—approximately 2,500 individuals—on Alberta sugar beet farms.

(g) Place 500 families—approximately 2,500 individuals—on Manitoba sugar beet farms.

(h) Approximately 1,000 individuals have means to support themselves and arrangements are being developed to provide locations at Christina Lake, Bridge River and Minto in order that these persons can be given housing facilities only.

This is the progress made:

(a) The task of moving families off Vancouver island and other vulnerable points has been practically completed except for a few cases where there are special problems such as bed-ridden individuals.

(b) Hastings park exhibition grounds clearing station has been completed and buildings are in good shape. The number housed changes from day to day. On May 11 there were 2,555 individuals at the park.

(c) and (d) Road camps are working satisfactorily, and on May 11, 1942, there were adult males in camps as follows: Blue River-Yellowhead project, 1,290; Revelstoke Sicamous project, 417; Hope Princeton project, 237; Schreiber project (Ontario), 341; total, 2,285.

(e) Repairs to buildings in abandoned towns are proceeding and the movement to these towns has commenced. As at May 11 there had been sent: Greenwood, 812; Kaslo, 185; Slocan City, 22; Sandon, 2; total, 1,021.

(f) and (g) Sugar beet fields: 1,635 individuals have been moved to Alberta and those who are employable are working. The movement to Manitoba is well in hand and 720 have been located. Total to sugar beet fields is 2,355.

Arrangements were made for the location of a number of families who have undertaken to support themselves if assisted in finding a location. Movements already completed of this class are: Christina Lake, 80; Bridge River and Minto, 150; Lillooet, 51; Westwold, 35; a total of 316.

In addition to that we have what we call miscellaneous employments in commercial

undertakings, and these have been approved in British Columbia, Alberta, Saskatchewan, Ontario and Quebec. The approval of the provinces was first obtained. Individuals placed under this plan are summarized in the following table:

British Columbia	374
Alberta	47
Manitoba	8
Ontario	60
Quebec	28
Saskatchewan	8
Total	525

Arrangements are being worked out by the Ontario government for the placement of 500 men in Ontario sugar beet fields.

Summary

Moved from vulnerable locations		4,300
Placed in road camps	2,285	
Placed in abandoned towns	1,021	
Placed in sugar beet fields	2,385	
Placed in self-supporting locations	316	
Miscellaneous approved employment	525	
(a) Placed in internment camps	96	
(b) To be interned, now in immigration hall	130	
		226
Temporarily housed in Hastings park	2,555	
Total		9,313

Mr. MacINNIS: What class of Japanese were held in the immigration sheds? I understood when I was on the coast last winter that only those held for internment were in the immigration shed. How long were they there?

Mr. MITCHELL: Those were Japanese who refused to go to the road camps in Ontario. They were more or less on a sit-down strike. We have to be fair about that. It was thought that probably they had changed their mind, but apparently they had not and they went on the rampage last night.

FLOODS IN ALBERTA

REPRESENTATIONS AS TO EMERGENCY CONDITION AT HIGH RIVER

On the orders of the day:

Mr. E. G. HANSELL (Macleod): I wish to direct a question to the minister in charge of public works, on the basis of a telegram I received this morning:

> Serious emergency exists in High River owing to river in flood changing its course, flooding main business section permanently. Original federal dyke holding. This needs extending. Disastrous condition needs your immediate attention.
>
> H. B. MacLeod,
> Mayor, town of High River.

Has the government been advised of this? If so, what action has been taken?

[Mr. Mitchell.]

Hon. J. E. MICHAUD (Acting Minister of Public Works): Just a few minutes before three o'clock a letter directed to the Deputy Minister of Public Works was brought to my attention. In substance it contains a copy of the telegram which the hon. gentleman has read. This, I am informed, is the first intimation that has reached the Department of Public Works with regard to the conditions described in the telegram. I have asked the deputy and the chief engineer to look into the matter and as soon as the report is complete I will bring it to the attention of the hon. member. In the meantime, I am led to believe that this is a matter that should come under provincial jurisdiction.

PRIVILEGE—MR. POULIOT

REFERENCE TO STATEMENT OF HON. MR. HANSON ON MAY 13

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): I rise to a point of order and a question of privilege. Referring to the last page of *Hansard* of yesterday I see a statement by the hon. leader of the opposition (Mr. Hanson) to the effect that we have taken up national defence and the navy and finished them. My point of order is that that statement is inaccurate. The department of the navy was finished but national defence was not. My question of privilege is this. I deny the leader of opposition the right to say anything on my behalf.

Mr. HANSON (York-Sunbury): I stand corrected by the hon. gentleman.

LABOUR CONDITIONS

QUESTION AS TO LACK OF ORDERS AT INVERNESS, N.S., COAL MINES

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): May I be permitted to direct a question to the Acting Minister of Transport (Mr. Howe) arising out of a telegram received from the district secretary-treasurer of the united mine workers of Nova Scotia setting out that the condition at Inverness coal mine is due to lack of orders. In view of the fact that the Canadian National Railways supply the main market for Inverness coal, can the minister explain to the house why a mine employing some four hundred men should be idle at this time?

Hon. C. D. HOWE (Acting Minister of Transport): My hon. friend gave notice of the question but I received it only a few

minutes before coming into the house. It will be necessary to get the answer from the railway offices. I will do so immediately and give it as soon as I can.

BANQUE CANADIENNE NATIONALE—APPLICATION OF OFFICE AND PROFESSIONAL WORKERS FOR HEARING

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): On Tuesday, in the absence of the Minister of Labour, I asked a question in regard to the application for a hearing before the Quebec regional war labour board on behalf of the employees of the Banque Canadienne Nationale. Has the minister the information in regard to that matter?

Hon. HUMPHREY MITCHELL (Minister of Labour): The Department of Labour is aware that they made application, but we have not been informed by the regional board regarding the details.

WAR APPROPRIATION BILL

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

The house resumed from Wednesday, May 13, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Bradette in the chair.

Mr. POULIOT: I am not going to take up much time to-day as the minister is busy. I wish to praise a few officers of his department, especially Squadron Leader Stewart, Mr. Malcom McLean, one of our former colleagues, and also his secretary Mr. Sharpe and Miss Gough, who is an admirable private secretary. They help us at times in connection with the transfer of French-speaking men in the air force when they are isolated among people who do not speak their tongue. I wish to give credit to them for what they do in that regard.

There are two things I want to say to-day and I shall be brief. I have before me a headline in the Ottawa *Journal* of May 12, "U-boat sinks freighter in St. Lawrence." It is a big headline across the first page of the *Journal*, and of course it was also a front page headline in all the papers of the country. That headline ought to have been "U-boat sunk by R.C.A.F." I do not say that to be critical of the R.C.A.F. but what I complain about is that we have not sufficient defence in this country. The Germans should be informed that whenever they have the audacity to come inland in the St. Lawrence river, so close to us, they will meet with proper defence and that they will not be allowed to go back home. That is the first thing I want to say.

The second point is that in the united nations air conference which will take place next week, the minister should have no inferiority complex towards the delegates from any part of the world, considering the work that is being done by the R.C.A.F. jointly with the Royal Air Force in England and elsewhere in the theatres of war. I hope there will be no more commitments to send any more of our own men outside of this country before the defence of this country is assured and completed.

Mr. FRASER (Northumberland): I should like to make one or two observations in connection with the remarks of the hon. member for Brantford City (Mr. Macdonald) as recorded on page 2351 of *Hansard* of May 12. The hon. member indicated that the people of Brantford were disturbed and inconvenienced by the movement of the aeroplanes connected with the airport and flying school located near Brantford, and the flashing of the rotary beacon on that air base. I am prompted to refer to the hon. member's remarks, first because of the press publicity they have received and second because those remarks to me are indicative of an attitude of a great many Canadian citizens in connection with the prosecution of this war and the seriousness of the crisis with which this country is confronted. I have the privilege of living in a town close to the largest air training base in Canada, if not in the world, and I want to tell this committee that I lie in my bed at night listening to those planes rising from that air base day and night—

(The hon. member for Edmonton East—Mrs. Casselman—in the chair):

Mr. MACKENZIE KING: If my hon. friend will excuse me I wish on behalf of the committee to express the pleasure it gives to us all to see a lady member (Mrs. Casselman) occupying the chair of the deputy speaker of the house for the first time in its history. I extend as well congratulations to the house on having a lady member acting as chairman of the committee.

Mr. HANSON (York-Sunbury): May I add a word to what the Prime Minister has said, and say how pleased I think every hon. member is to see you, Madam Chairman, occupying with great dignity the chair in committee of the whole.

Mr. FRASER (Northumberland): May I add my words of congratulation to those already spoken. As a private member I consider it a great honour to be the first humble back-bencher to speak under the chairmanship of a gracious lady in the person of the hon. member for Edmonton East.

I was saying that as I lie in my bed at night next to that airport—

Some hon. MEMBERS: Oh, oh.

Mr. FRASER (Northumberland): I see that hon. members fully recognize the import of the statement I have just made. As I listen to those planes operating day and night, winter and summer, I thank God that these young men who are offering their services and their lives for Canada are part of Canada's contribution to this war.

Mr. McNIVEN: And that they are friendly planes.

Mr. FRASER (Northumberland): And that they are friendly planes, and that the sound of changing the pitch of the propeller is not the noise of enemy bombs dropping on Canadian soil. I repeat that it seems to me the hon. member's remarks are indicative of the complacency of the Canadian people in the present serious situation. I want to compliment the Minister of National Defence for Air, who is in charge of the Royal Canadian Air Force and the air defence of Canada; but I suggest that the sooner the citizens of Canada develop a complex of hate and revenge and determination against our enemies who perpetrate such atrocities as those of Hong Kong and who are sinking ships and murdering innocent seamen in the gulf of St. Lawrence, the sooner we are going to get a proper grasp on the seriousness of this war and the sooner the Canadian people will be willing to sacrifice their all in connection with our participation in the struggle.

There is not only too much complacency in Canada, there is too much individual selfishness, too much of the spirit indicated by the remarks of the hon. member for Brantford City as to inconvenience and disturbance by a beacon light on a defence air post keeping people awake. We are thinking too much of self and have not enough realization of the desperate life and death struggle in which this country is engaged. Therefore I could not refrain from making this reference to the remarks of the hon. member.

In my opinion our greatest contribution to this war effort is that made by the Royal Canadian Air Force under the empire training scheme. Next to me in the town of Trenton lives a family of which one son, one of the finest types of young Canadians, who was in the Royal Canadian Air Force, was killed the other day bombing over France and Germany. This boy gave his life to protect my home and the homes of other Canadians, and although my home is adjacent to that air base I say to my hon. friend and to every hon. member that that boy's parents thank God every night that other young Canadians have the national spirit and the guts to fly through winter and summer learning how to bomb our enemies. And I should feel myself remiss in my duty if I did not try to impress upon hon. members the necessity of taking a different point of view of this whole situation and getting away from this petty sense of inconvenience, of being disturbed in their sleep by the light of a beacon or the noise of changing pitch of a propeller. If they are kept awake they should get out of their beds and kneel down and thank God that those young Canadians are willing to give their lives for the protection of Canadian homes.

Mr. PERLEY: Madam Chairman, I am delighted to join with the Prime Minister and the Leader of the Opposition in expressing the pleasure I am sure of all hon. members in seeing you for the first time in this very responsible position. We, the members of the opposition, shall be happy to see you there often; for we know that we shall get fair and impartial treatment from the chair. I am confident you will do credit not only to yourself but to the women of Canada whom you represent in this house.

I desire now to take a moment to express my admiration of the Minister of National Defence for Air for the frank way in which he has dealt with matters relating to his department in giving information to this committee, not only in the general statement he made but also in answering the many questions put to him. I was unable to be present in the house yesterday because I had to attend another meeting, but I have looked through *Hansard*, and I followed the proceedings the previous day, when I was here most of the time. Many of the questions I had intended to put to the minister already have been answered, so I need not take very much time this afternoon.

Right at the outset I should like to join in what has been said already by the hon. member for Peel, the hon. member for St. Lawrence-St. George, and the hon. member who just took his seat and others, in paying tribute to the gallant members of the air force both in Canada and overseas, who at all times, day and night, face great dangers. As members of parliament we cannot adequately express our admiration for these

young men. The whole of western Canada has made a wonderful contribution to the air force, and within the last ten days my own district has been very severely hit. In the first place we had a military funeral, for the first time in our history. A young man who had been overseas and who had been returned to Canada fell ill in Montreal, was taken to the hospital and died. They gave him the honour of a military funeral at Wolseley; some forty members of the air force were there; the ceremony was very inspiring and gave great comfort to the mother, who is a widow with two other sons also in the air force. On Sunday last in that same town they held a memorial service for a young man who was killed while flying over France; his death was reported in the Ottawa papers of the day before yesterday. Only to-day I received word by air mail that the son of my opponent in the last election crashed and was killed yesterday while training near Yorkton. These incidents just go to illustrate that these men are in danger all the time, whether flying over France, over the Pacific or in training in Canada. I pay my tribute to the gallantry of the members of our air force.

The minister has dealt with the three branches of his department—the home war establishment, the overseas war establishment, and the commonwealth air training plan. The minister stated the number of trained men being turned out each month under this plan, and I was pleased to see that this number is 25 per cent greater than the estimate he gave last year when his department was under review. That is encouraging, and I hope it will continue. It is important that it should, because I believe the air force is going to play a very important part in the winning of this war—and we are going to win it.

The previous speaker referred to the remarks of the hon. member for Brantford City (Mr. Macdonald) who outlined some of the nuisances which had to be endured in the vicinity of an airport. When the minister was asked whether there were to be any further aerodromes established in Canada, he said there were not. Well, he has his department well in hand; I believe he knows what is best, and if we are getting the necessary number of trained men, that is all right with me. But in passing I may say that the people in some parts of my own district were encouraged a year ago, by the number of survey parties in that area, particularly those looking over some of the fields already surveyed and in use by Trans-Canada Air Lines. I can assure the minister that if it becomes necessary to establish more training centres, we will gladly put up with any inconvenience, noise or anything of the sort that may be incidental thereto. We in Wolseley are near Regina and only about sixty miles from Yorkton. We hear the drone of aeroplanes at night, but that has never caused me any particular discomfort, nor have I lost a wink of sleep as yet.

I was encouraged to hear the statement of the minister that according to his estimate there are sufficient men available to meet the requirements of the air force at least for the next six months and perhaps for the next year. I have received many letters, and have been visited by several young men, complaining that they have been examined and accepted but that sometimes they have to wait a long time before being called up. This tends to make them discouraged. I know of some young men who were very anxious to get into the air force but had to wait so long before being called up that they went into the army instead. In this connection there is one point I should like to bring to the attention of the minister, though I believe it was pretty well discussed a day or two ago. There must be a number of men in the ground crews of the air force, with good education, who could be used to advantage in the army. They are not getting ahead very quickly in the ground crews, and I think some of them are dissatisfied.

I was pleased to read what the minister had to say with respect to equalizing the pay and allowances of the members of the air force, particularly as between sergeant pilots and commissioned officers. I am sure this will make for a much better spirit on the part of these young men, because we all agree that when they are in the air, whether they are observers, gunners, pilots or anything else, they all face the same dangers and should be treated alike. This matter has been so well dealt with, however, that I need not take up further time on it.

I have just one word of complaint to offer in conclusion, with respect to some of the training centres in Saskatchewan. I have in my hand a return which I requested on February 20, with regard to the water supply at some of the air fields and training centres in my province. According to this return, contracts were let for the drilling of wells, with gravel walls, at $15 and $18 per foot; and in addition there was a contract at $2 per foot for the test hole, a small hole about two inches in diameter. Those rates were altogether out of reason. The original contract was sublet. I appreciate the fact that the minister

cannot look after every one of these things, that someone else must do it for him, but there should be some check. Certainly a contract of that kind was out of all reason and proportion.

I was going to deal with the question of the salvage of oil, but on looking over *Hansard* I find that it has been dealt with already. A question of mine dealing with this matter was passed yesterday as an order for return, and I should have the information in due course. But I do think some attention should be given to the matter of salvaging lubricating oils and so forth at these airports.

There is one other matter which perhaps the minister should take up with some other department, possibly the Department of Mines and Resources. The government should investigate the possibilities of producing gasoline from the tar sands in the northern part of Saskatchewan and Alberta. I ask the minister to keep this in mind. This war may be won or lost because of oil supplies. There is a wonderful field in that part of the country and I trust it has not been neglected. I believe there are possibilities of producing gasoline which would mean a lot, not only to this country but to the empire.

Madam Chairman, I am not going to take up any more of the time of the committee as I know the minister is anxious to get away. I want to express my appreciation of the frank manner in which he has answered our questions. I have had occasion at times to deal with his department and I have always found the officials there ready to display the same frankness the minister has displayed here. I hope other departments will take a little tip from him. If they would, it would help to establish confidence, not only on the part of members of the house but throughout the dominion generally.

Mr. ROSS (Souris): Madam Chairman, may I first of all pay a tribute to you on the occasion of your being the first lady to assume the important duties involved in the chairmanship of the committee of the whole.

I want to say just a word about the remarks of the hon. member for Brantford City (Mr. Macdonald) as to the position in which his municipality has been placed. There is a municipality in my constituency which has offered the department clear title to two sections of land if they will establish an airport in the immediate vicinity. We believe that more airports should be established in southern Manitoba. We do not know why there are not more there, because our people are ready to play their part.

I should like to pay my tribute to the gallant airmen who have done so much for us during this war. I think the record of southern Manitoba is equal to the rest of Canada in the number of young men who have enlisted in the air force. I am sorry to say that many of them have already made the supreme sacrifice. Many of these boys come from my constituency, and I know their families personally. They have offered their all, and we cannot measure the debt we owe them.

In this connection I should like to ask the minister if the courses have been accelerated or reduced, whether these men are trained in the same period of time as before or in a shorter period. I am referring particularly to air crew.

Mr. POWER: I would prefer not to give any answer with respect to the length of courses or their extension.

Mr. ROSS (Souris): Another matter has been raised; I believe the hon. member for Lambton West (Mr. Gray) brought it up first, and I have had questions on the order paper about it. I have never been able to get it clear in my mind just how commissions are granted when these young men graduate. I cannot understand why one man is given a commission and another only a sergeancy. I should like to see this matter brought up at the coming conference. I believe the young men who are members of the air crew should hold the same rank; they should all be commissioned if possible.

Mr. WOOD: I feel I would be somewhat remiss in my duty if I did not come to the defence of my colleague, the hon. member for Brantford City (Mr. Macdonald). I think it is unfair that so much publicity has been given to certain parts of his address the other day by certain sections of the press, especially here in Ottawa. They referred only to certain parts of his speech, which seems characteristic of some of the press. This is done in an effort to have people believe the things they want them to believe for certain purposes of their own. I am proud to say that our local paper, the Brantford *Expositor,* does not put any unfair interpretation upon the remarks of my colleague. I am very happy to say that that is probably characteristic of the people that he and I have the honour to represent. They try to face issues and facts fairly and clearly.

I read the speech of the hon. member and I could not read into his remarks any complaint from the people of Brantford. The fact of the matter is that on page 2352 of *Hansard* he made this statement:

> The people are not complaining about having these airports in their districts, but there are two sides to the story.

It is only fair to the hon. member for Brantford City to say that he emphasized the two sides of the situation. The hon. member for Souris (Mr. Ross) has justed stated that he would like to have some of these airports in his constituency, and that only brings to light the desirability of this privilege. However, for every privilege we receive there is a corresponding responsibility, and the hon. member for Brantford City pointed out that the people of Brantford welcomed the opportunity of accepting the responsibility that goes with that privilege.

I feel I should refer to the remarks of the hon. member for Northumberland, Ont., (Mr. Fraser) and the hon. member for Souris. There have been no people more anxious to serve in this war effort than the people of Brant and the people of Brantford whom the hon. member and I represent in this house. The record of enlistments from this particular community will compare favourably with that of any other section of the dominion. I do not want to boast, but the fact is that in the little town of Paris in my constituency, which takes in part of the city of Brantford as well, 8 per cent of the population has enlisted. That is evidence of their desire to serve. From now on the less said about these remarks the better, but if anything is to be said I hope that mention is made of both sides of the case.

Mr. MacNICOL: What are the two sides?

Mr. WOOD: The privilege and the responsibility. The hon. member was just emphasizing that there were two sides. I might mention that one of these military camps is situated on property which was donated to the Department of National Defence by the Six Nations Indians. There has been little or no comment about that. There will be no taxes to be paid by the government, in fact there is no obligation whatever upon the government. This is characteristic not only of the people of the Six Nations but of the people of the city of Brantford. I might say also that the Six Nations council donated $1,000 annually to the Red Cross from their meagre funds. I ask hon. members, therefore, to familiarize themselves with some of the contributions made by the people in this district before they make any criticism of them.

Mr. CHURCH: Madam Chairman, there are one or two matters I should like to have the minister keep in mind when the air conference meets next week. I know he is anxious to get away and I shall be as brief as possible.

In his statement the minister made reference to his recent visit to Great Britain. As I see it, the war situation to-day has changed since then and since the battles in the far east; we have lost the command of the sea in the Pacific, and I would ask the minister to bear that in mind at the air conference next week. I believe that that conference will be the forerunner of what Australia has been asking for from the British authorities for six months, namely, a war cabinet on which Britain and the dominions will be represented, as there was in the last war, for quick and united empire action. The situation so far as Australia, New Zealand and South Africa are concerned has changed greatly through Japanese command of sea power in the Pacific and the way Japan is roaming around there. These three dominions are in grave danger. Mr. Curtin has spoken very strongly of the need of Australian representation where empire policy is being discussed, and Mr. Menzies, the former prime minister, also referred to it in this chamber and since. Those two very able prime ministers of Australia pointed out that empire policy decisions with respect to the war, and affecting all these dominions, were being made in the far east and other theatres when they were not present, decisions which went against them, and that they were not consulted on what empire policy should be. I think that is shown by the loss of our supremacy of the sea in the Pacific and by the battles in the far east. In the last war the empire war cabinet was a great success. Each dominion prime minister or his nominee was a member. It saved the war from being lost. I hope the minister will bear this in mind and not press too strongly for anything different at the air conference next week or for Canada to act separately from the other dominions.

We are all proud of what Canada has done so far in the air. It makes a glorious page in the history of the empire, but I hope that the minister at that conference will listen to Australia and New Zealand and the mother country because I believe that the most important matter to be decided at the conference is whether or not the dominions are to have a say in empire policy in the far east, in the Pacific and on the Atlantic and other theatres of war—to act together to save the empire—and of course air power is intimately related to the command of the sea, as well as command of the land. Australia and New Zealand, after the losses in the far east, made a strong appeal to the United States for help, and they are getting it. Canada should qualify for aid on the same status also, for its empire training scheme.

The defence policy of this country has two cardinal points: one is home defence, and the other is to protect Canada's neutrality in case

the American continent is attacked by a foreign power, meaning Japan; and Japan has already made that attack at Pearl Harbour, an attack which shocked the civilized world. In my opinion, if Australia and New Zealand can get aid under the lease-lend or other bills of the United States, and aid as allies, and they are getting it, so should Canada; for this country has helped the united nations war effort by building advanced air bases on both oceans and by the empire air training scheme. If any country is entitled to qualify for aid under the lease-lend and other aid bills it is Canada, and I hope that these matters will be remembered at the air conference next week.

I trust that something will also be done to rectify the inequalities of pay in the air force, which are very serious. Some civilian members of the air force are in uniform as pilot officers—a misnomer—and receive higher pay than pilots, sergeants, gunners and observers who are flying over Germany. I think the minister himself, who is a good business administrator, will agree with me that changes should be made in that respect immediately and these inequalities removed.

I should also like to see a change made in the syllabus and schedule of training at the manning pool in Toronto. In the last war the men remained at the manning pool for only two or three days, but in this war some of them have been there for weeks and months, some of them from last September, and for over a year have had only guard duty and infantry drill. Perhaps the minister has given some explanation of this, but I know that it is very unsatisfactory to the men, many of whom gave up good positions expecting to get overseas at an early date, to have to stay at the manning pool doing precision drills, infantry drill, marching up the Humber and back, and doing guard duty. It is far too much for them; it is a waste of time where training is costly and should be speeded up.

As I said when the Minister of Munitions and Supply introduced his first bill in connection with the Trans-Canada Air Lines, I wanted him to take over the pioneers, the civilian clubs. I appreciate what the civilian flying clubs did before the war. I said in the last parliament, when I was sitting where the hon. member for Lake Centre now sits, that the civilian flying clubs did great work before the war in giving flying instruction and in educating the people to become air-minded at a time when Canada was sleeping. I think these schools should be united now in an empire air training scheme with the two great railway systems of this country, because civil aviation after the war is going to be the greatest thing in the world, particularly in Canada. That is one of the great issues in England to-day, and the air minister for Great Britain made a statement about it after there had been a prolonged debate in parliament. I hope the minister will bear these matters in mind at the air conference next week.

Mr. MacINNIS: I should like to refer to a question I had on the order paper for a couple of weeks and which was answered yesterday by the Minister of National Defence for Air. My question had reference to the deputy minister of national defence for air. I will read the question and the answer and then point out what I believe to be a wrong condition of affairs.

My question consisted of five parts. Question 1 was:

Is S. L. de Carteret, deputy minister of National Defence for Air?

The answer to that was "yes." Question 2 was:

If so, (a) when was he appointed, (b) what is his present salary?

The answer to that was:

(a) February 1, 1941; (b) no salary or allowance from the government.

Question 3 was:

What was his business, trade or profession before accepting his present position with the government?

The answer to that was:

Mr. S. L. de Carteret, vice president and general manager, Canadian International Paper Company; president, Continental Paper Products Limited; president, Masonite Company of Canada Limited; president, International Fibre Board Limited.

Question 4 was:

Does he continue active connection with his former business, trade or profession while in the employ of the government?

The answer to that was "yes." Question 5 was:

If so, what part of his time is given to his duties with the government and what part to his former business?

The answer to that was:

Full time service with the government and a portion of his spare time thereafter is devoted to the general supervision of his former business.

I think it is wrong policy to have what is generally termed a dollar-a-year man in the position of deputy minister of a department as important as the Department of National Defence for Air. This department is important enough to have a deputy minister who would be free to give his full time to the work of the department, without being distracted in any way by business concerns of his own. It

should be a matter of policy for the government that no business man shall be put in an important civil service position and continue at the same time to attend to his own businesses. I do not know whether the minister knows it or not, but there are two things which I should like to tell him. First, the people of Canada generally are very much disturbed about the influence of big business in the government.

The people of Canada have not forgotten the exposure of big business methods made by a special committee of this house which was later appointed as a royal commission, in 1934; I refer to the price spreads and mass buying committee and commission. Secondly, I tell the minister that the present government of Canada, despite professions it may make to the country, has an exceedingly bad name with organized labour. Organized labour is convinced that the hostile labour policy of the government is influenced by these big business men who have unlimited access to the government. I could name quite a number of them—men I have known over the years—who have opposed consistently every attempt by the workers to better their condition and every item of social legislation which was brought forward in either this parliament or any of the legislatures of the provinces.

With regard to the deputy minister of the Department of National Defence for Air, it has been brought to my attention that the employees affiliated with one of the Canadian congresses have been negotiating with Continental Paper Products Limited since November, 1941. The agreement has been before Mr. de Carteret since early in March of this year, and they cannot get any action on their negotiations because he says he has not time to deal with the matter. The Department of Labour advise this organization that they are quite powerless to compel Mr. de Carteret or anyone else to negotiate with or recognize labour organizations. What I want to point out is, that this government has gone on record as favouring the principle of collective bargaining; it passed an order in council to that effect and gave it a great deal of publicity, but that order in council has not only been ignored by the heads of industry generally throughout the dominion but has been particularly and flagrantly ignored by business men in high positions in the government, or if you like, in the civil service. Therefore I think we have a right to insist that deputy ministers in charge of departments such as the one under the Deputy Minister of National Defence for Air should be civil servants, without any outside business ties or obligations. There is no doubt that a person qualified to do that work can be found, and I insist that we adopt that principle and see that the government is not influenced by persons who are acting directly contrary to the very principles for which we are fighting.

Mr. POWER: I am sorry that I have not the time to go into a discussion of this matter with my hon. friend. I can only express my regret that he takes advantage of the opportunity presented by the presentation of service estimates, an appropriation of many millions of dollars to get on with the war, to endeavour to influence negotiations between the man who happens for the time being to be the deputy minister of this department and a labour union. In my opinion that is entirely irrelevant to the present discussion.

Mr. MacINNIS: No, Madam Chairman. The minister has no right to impute motives to me. I have not imputed motives to the minister; I have been dealing with the facts; and the minister cannot get away from those facts by imputing a motive to me. I ask the minister to withdraw the imputation.

Mr. POWER: I am dealing with facts. The facts set forth by the hon. gentleman are that certain labour organizations—

Mr. MacINNIS: I insist that the minister withdraw his imputation.

An hon. MEMBER: Order. The Chairman is on her feet.

The ACTING CHAIRMAN (Mrs. Casselman): The minister has the floor, I believe.

Mr. MacINNIS: But is the minister going to withdraw his imputation?

Mr. POWER: I have not made any imputation.

Mr. MacINNIS: Oh yes, you have. You said I took advantage—

The ACTING CHAIRMAN (Mrs. Casselman): The minister has the floor.

Mr. MacINNIS: But, Madam Chairman, the minister has not the floor until he withdraws the statement to which I object. That is a rule of this house, that no one can impute motives to anyone else.

Mr. ROWE: Who is chairman?

Mr. MacINNIS: I do not care who is chairman; I have my rights in this chamber.

The ACTING CHAIRMAN (Mrs. Casselman): The minister has denied that he imputed any motives to the hon. member for Vancouver East.

Mr. MacINNIS: But the minister said that I took advantage of this occasion to influence labour negotiations.

Mr. POWER: Well?

Mr. MacINNIS: Well, I insist that the minister withdraw the statement.

The ACTING CHAIRMAN (Mrs. Casselman): Will the hon. member for Vancouver East please state what words he is objecting to?

Mr. MacINNIS: The minister said that I took advantage of this occasion when this appropriation was before the committee to influence the negotiations in a labour dispute. Now, I insist that he is imputing a motive to me, and that he must withdraw.

Mr. POWER: I suppose I may speak to the point of order. My hon. friend stated that the question at issue between a labour union and a company of which my deputy is, I take it, the head, had been before my deputy for several months, or since the month of March, and that my deputy would not listen to the representations of labour. I think that is stating fairly what the hon. gentleman has said, is it not?

Mr. MacINNIS: No, I said he had always said he was too busy to deal with the matter.

Mr. POWER: All right; whether he said he was too busy to deal with the matter, or would not listen to them, makes no difference to this argument. And upon that, I reply to my hon. friend by saying that I regret that he should take advantage of these estimates to endeavour to influence negotiations between a labour union and a company with which my deputy is connected; and I think that that is perfectly in order. I do not see anything wrong with it.

Mr. MacINNIS: Oh, no. That is an imputation. I want the minister to withdraw it.

Mr. ROWE: It is a statement of fact.

Mr. POWER: Yes, it is a statement of fact.

The ACTING CHAIRMAN (Mrs. Casselman): I think this is an imputation of motives, and would ask the minister to withdraw it.

Mr. POWER: This is indeed an historic occasion. First, I withdraw. I must say that in a long career in this house I have rarely been called to order. And I have never been called to order in a manner which I appreciate so much as I do in this case. I unreservedly withdraw my imputation whatever, at your request, Madam Chairman, and simply say I suggest that a discussion of this matter at the present time is, to say the least, irrelevant—which I hope will not be considered as imputing motives to my hon. friend.

[The Acting Chairman (Mrs. Casselman).]

Mr. de Carteret is not what might be called an ordinary big business man. Up to seven or eight years ago he was a forestry engineer employed by smaller companies, but owing to his ability he was taken into the organization of the International Paper company. He is an extremely able man, accustomed to business and to the carrying on of work in connection with business questions, rapidly, expeditiously and efficiently.

Mr. HANSON (York-Sunbury): And large business too.

Mr. POWER: And large business. When a year ago I needed a deputy minister very badly I went to Mr. de Carteret, who had been a friend of mine for years. In years gone by he was not so closely connected with what is called big business. I went to him and begged him to come here. At first he refused because he said he had his own affairs to look after and that he was not familiar with matters connected with the air. At the urgent solicitation of the Prime Minister of Canada himself, who had checked, as other members of the cabinet had done, on the qualifications of Mr. de Carteret, Mr. de Carteret consented to come here at his own expense, paying every cent of his hotel and travelling expenses, at no cost to the government. Since that time he has worked night and day. He has spare time. Is there any man in this house who has not spare time, who sometimes does not play golf, who sometimes does not go fishing, who sometimes does not play bridge? Well, during that time, instead of doing that, Mr. de Carteret looks after the details of the business. It so happens that he is president, vice-president or director of some company in which there are the makings of a labour dispute. I do not know the details about it but I still do not think that they should be brought up on these estimates. I still do not think that should be a reason for attacking him personally. Anyone who knows him or has had business dealings with him knows that Mr. de Carteret has come here from the highest and most patriotic motives, and if there is a dispute between labour and himself, let them fight it out between them. That is their business. In all sincerity I ask my hon. friend not to drag that dispute into these estimates when the

whole matter of the air training scheme and the fighting of the air battles of the empire is concerned. I ask him if he really thinks that is the right thing to do. Here we are with the enemy at our gate. We are trying to get these estimates through, trying to pass a war appropriation, trying to explain to the house what we are doing in connection with the war, and our attention is being diverted by attacks on a deputy, not for any lack of efficiency in his job, but because he and my hon. friend or my hon. friend's friends do not agree on some subject which is altogether outside the matter at present under discussion. I do sincerely ask my hon. friend if we cannot drop this thing. I have no objection to his making a speech and telling me all about it, but I say to him, will you drop attacking de Carteret for the moment and let me get on with my job.

Mr. MacINNIS: Mr. de Carteret is in the Department of National Defence for Air and as such is a subject for discussion here. I have said that the principle is wrong of having civil servants as a gift, if you like. The Dominion of Canada should be able to pay for the services of its civil servants or those who serve it and there is no reason why we should have this state of affairs. No matter how clever a man may be there is no reason why we should be obliged to take his services. I am saying that the relation between the government and the workers in industry in this country is just as bad as it can possibly be and there should not be people in important positions in the government who are influencing its policy. That is not a good thing.

Mr. POWER: He does not influence the policy of the government. He might influence the policy of the department but he has nothing to gain. His concerns are not interested in anything the department of air does.

Mr. COLDWELL: In my opinion the point made by the hon. member for Vancouver East (Mr. MacInnis) is well taken. In acquiring the services of big business men who still retain their connection with their private businesses the government is making a grave mistake. Whether the point is well taken or not, the policy is a mistake.

Mr. POWER: That is a matter of fair discussion.

Mr. COLDWELL: I will not argue it further. In view of the conference next week I want to reiterate, if I can assist in strengthening the hand of the minister, what I said the day before yesterday about the Royal Air Force schools in this country and the treatment the boys are getting in the matter of food. Since then I have heard further regarding that situation and I urge upon the minister that he endeavour next week to obtain control for this dominion of the schools that are being established here. I think the Prime Minister was on sound ground years ago when he took the stand that if schools were to be established in Canada they ought to be Canadian schools. The other afternoon the minister stated that he trained here pilots and other members of air crew and air force personnel and that when they went to Britain they were no longer in Canadian squadrons but were drafted into the various R.A.F. squadrons. If that is what is done in Great Britain the minister has a perfect case for asking that men coming to this country should be under the control of our own department during their period of training. If that is not granted, the minister has a much better case for asking that the boys who go from this country be retained in Canadian units, under the direction of course of the supreme command, and utilizable for any service that may be required in connection with the war effort. None the less there should be Canadian squadrons overseas controlled by Canadian officers and directed jointly of course by the grand strategy of the united nations. Supervision of training schools is quite a different problem. That is the feeling of a number of members of this house. We do not like the present situation. We should much prefer that Canadian boys, who after all come from a different environment, should be with their friends when they go overseas. The environment abroad is different; they meet young men coming from another environment that is strange to them, and therefore they are not as happy as they might be. I have reason for emphasizing this particular point. We of this group wholly agree with the point of view that so far as possible our boys overseas should be retained in their own Canadian units, flying together, working together and acting together generally. Never mind who pays them. My hon. friend very rightly says "and paid for." After all, I think the British people understand pretty well that Canada is paying handsomely for her part in this war. The substantial gifts we have made to Great Britain of our own free will are greatly appreciated by the British people, but that does not mean we should forget that a few people there still regard us as colonials. This is a self-governing dominion, and as such it ought to control its own nationals wherever they may be.

Mr. NOSEWORTHY: I wish to bring to the attention of the minister and the committee certain information tabled on May 13 when I received answers to the following questions as recorded at page 2385 of *Hansard:*

1. On what date was the National Steel Car Corporation at Malton authorized to proceed with the production of Martin bombers?

The answer was "April 26, 1941." My second question was:

Was this authorization given by the Canadian or British government authorities?

The answer was: "Canadian government authorities." I presume, from the answer the minister gave to a question I asked two days ago, that that contract would be authorized or requisitioned from his department. The third question was:

On what date was this project abandoned?

To which the answer was given:

Advance notice of cancellation was given on November 26, 1941.

I call attention to the fact that that was eight months after the project was authorized. The answer continues:

Final cancellation was given on December 29, 1941.

A full nine months after the beginning of the undertaking.

The next question was:

How many man hours of time were spent on this project?

I am surprised at the answer to this question, in view of the assurance given us by the Minister of National War Services some days ago that the committee investigating war expenditures last year was satisfied with the checks provided in this matter. The answer is:

An audit has not yet been made on this project—

—although that was completed five months ago—

—and man hours have not been determined.

My own information from the plant is that as many as 500 or 600 men were engaged on that project for the eight or nine months. The fifth question was:

What was the total public expenditure on this undertaking?

The answer is:

The total expenditure on this project is $781,907.

There is then an explanation that some of this expenditure will be recovered by using material bought for this project on a later project on which this company is engaged, and also by sale of jigs and tools that were prepared for this work. The next question is:

What were the financial arrangements with the above mentioned company for this undertaking?

The answer was:

The contract placed by the department with the National Steel Car Corporation was a target price contract.

The next question was:

How many Martin bombers were there produced?

The answer was none. The next question was "Why was the project abandoned?" And the answer:

The manufacture of the Martin B-26 in Canada was abandoned because it developed—

That is eight or nine months after the project had been under way.

—that a very substantial amount of reengineering had to be done before the plan would be satisfactory—involving perhaps six months' delay.

In view of the fact that the British government was pressing for another type of bomber and that this particular type could be obtained in the United States in less time than it took to produce it in Canada, the plan was changed.

I think the people of this country are entitled to know why it required eight or nine months to discover that a certain process of reengineering was required on this project, after well over three-quarters of a million dollars had been spent. Here you had hundreds of men working and this expenditure made at a time when the planes were needed. The minister should give the committee some further explanation. Nothing caused more distrust in the vicinity of greater Toronto of the ability of the government to produce in our factories the things needed in our war effort than the outcome of this experiment. These workers were all working in the greater Toronto area, and everyone was asking: Why is it that the government has to engage hundreds of men for eight or nine months on a project and then abandon it? When I visited this plant a couple of months after they had ceased production of this particular aircraft, the jigs which had been prepared for the work were lying all around outside. Engineers of the plant told me that these jigs were absolutely valueless for the production of any other plane. Would the minister enlighten us on this subject?

Mr. POWER: I do not know that I can enlighten my hon. friend very much. It was one of those deals that are often made, we started to get into production of the Martin

bomber, and I think my colleague the Minister of Munitions and Supply knows more about the imperative reasons why, at the request I imagine of the British government, we switched to another type of aircraft which was perhaps more needed in view of the fact that Martin bombers were, I take it from the reply, being produced in large quantities and more efficiently in the United States.

It may also have been that the conditions of warfare had changed, that the Martin bombers were perhaps not as much required as the new type which is now being produced. It is almost impossible from day to day, with the changing conditions of warfare, to see just what should be produced at a given time. We endeavour to give forward orders as far as possible, but changes occur so frequently that it is difficult for me, close as I am to the picture in my own department, to keep up with them. Sometimes we have ordered a certain type of machine, only to find that the bugs were not out of it as yet, that it was not being produced as rapidly as we desired, or something else, and we had to turn round and produce another type. In combat and bomber machines frankly I see nothing incongruous in spending even the large amount of money mentioned by my hon. friend and then deciding to go into something else.

Mr. NOSEWORTHY: On a visit to this plant nearly three months after this project had been abandoned, I found that the same company was working on no less than five different contracts, in a small plant, and that they were just considering tooling up for the Lancaster bomber, three months after they had abandoned the project mentioned.

Mr. POWER: I would not know about the five different types being manufactured there. The Minister of Munitions and Supply probably will be more familiar with the whole transaction than I am. I shall inquire so far as the air force is concerned, and if my colleague does not give a satisfactory answer I will tell my hon. friend just why we abandoned the project, if I can do so without endangering security. I do know we abandoned it. I do know that in my estimates last year we had an amount of $40,000,000 set apart for it. We did abandon it, and I take it that this would not be done because we wanted to do so, but must have been done on the best advice of our technical officers.

Mr. CASTLEDEN: Could the Minister of Munitions and Supply give us any statement about the matter?

Mr. POWER: Please let me finish first.

Mr. GREEN: Toward the close of the sitting yesterday afternoon I asked the minister whether or not Canada is preparing to train parachute troops. From his reply I understood there were no plans in contemplation for that type of training.

Mr. POWER: No plans in my department.

Mr. GREEN: Well, the air force would have to cooperate with the army in such training.

Mr. POWER: I presume so.

Mr. GREEN: The minister is very progressive, perhaps more so than many of his colleagues. I think he realizes that above all things Canada must be up to date in her war preparations. The progress of the war to date has shown quite clearly the importance of parachute troops and also of carrying troops by air. I understand that the British are training many troops for work of this type. It seems to me that Canada would be an ideal place to carry on such training.

Mr. POWER: I have put in requisitions for many transport planes, but it is going to be a long time before I get them.

Mr. GREEN: Surely this question is of the utmost importance to the British army—

Mr. POWER: It is.

Mr. GREEN: —and to the Canadian army, and it seems to me that these men, not only Canadians but also British troops, could be given this sort of training in Canada. Furthermore, we need parachute troops for our army in Canada, which may have to defend this country, and also our troops here should have training in being transported by air. Would it not be possible to take steps without further delay to get training of this type under way? Perhaps we could send some of our men to the United States in order to get this training started. It does seem to me that Canada has been slow in preparing for this modern way of fighting. There has been too much of the 1918 complex. I should like to see the minister take the lead in this matter. It involves his department; I feel that if he were to take the lead we would get results, and results along these lines are of vital importance to Canada at this time.

Mr. CASTLEDEN: Yesterday the minister said he would find the reason for a discrepancy which existed in the figures with regard to the home war establishment—

Mr. POWER: I have not that information yet. At some future date I will place on *Hansard* answers to several questions, particularly those concerning the training schools. I hope it may be done before this appropriation bill is put through, but if it is necessary to have the training schools discussed, I will undertake to find an opportunity whereby that may be done.

Mr. DIEFENBAKER: Has the minister any idea as to when? Would it be two weeks from now?

Mr. POWER: Well, I thought it would be the following day, but yesterday morning they told me that it would take three or four days anyway. It may not be until next week.

Mr. FRASER (Peterborough West): Are parachute troops being trained in the United States?

Mr. POWER: I have no idea. I do know we have plans for transporting troops by air and possibly using gliders. The matter is now being studied, transport by gliders and transport by planes, but transport planes are the hardest things in the world to get.

Mr. FRASER (Peterborough West): Could we send some of our men to the United States to see how that training is carried on, so that we might be prepared when the time comes?

Mr. POWER: I do not know whether or not they have that training in the United States.

MUNITIONS AND SUPPLY

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Chairman, since I last reported to the house on the work of the Department of Munitions and Supply, the nature of our problems has changed considerably. I may say that up to the present time the department has placed contracts totalling in excess of $4,000,000,000, which is a sum considerably larger than the national debt of Canada prior to the outbreak of war. Our programme is by no means frozen, as is evidenced by the fact that capital assistance granted in the month of April exceeded $25,000,000. Capital assistance granted up to the present time amounts to about $380,000,000, or slightly less than 10 per cent of the total orders for munitions placed by the department.

The last time I reported, the majority of our plants were still in the process of tooling up and expanding production. To-day by far the greater part are fully tooled and staffed, and are producing at something like the maximum rate. We have had some very satisfactory results from these plants. In nearly every case we have found that the output considerably exceeds the objective for which the plant was built. Our explosive plants are, I think, producing something like 75 per cent over the estimated plant capacity. There has been some balancing up carried on, but it has been possible to step up the production of these plants to this extent. One gun plant is producing two and a half times the guns that we anticipated it would produce, or that we provided machinery for. In general, our preliminary estimates of production have been found to be conservative, and we have very little to apologize for in that connection.

Another satisfactory feature of the programme is the cost of our products, because costs are a sure index of efficiency. We find that where a plant is in full or nearly full production, the cost of our product compares favourably with the cost either in the United States or in the United Kingdom. We find also that our quality has been all that can be desired. Frequently I have been told officially that the ammunition we sent to England, both small arms and artillery, is placed in the preferred category and is eagerly sought after. We used to mark our small arms ammunition "suitable for use by air force," but we received objections from the other services that the air force was being given preference with our ammunition. We now label it without reference to the air force in order that all three services may share in it.

I might run briefly over the operations of the department and perhaps prepare the way for any questions that hon. members may desire to ask. In the matter of production, speaking generally with reference to the criticisms that have been made in this house of management holding back production or of inefficient management, I think the executives of my department can now stream-line a plant as well as any executives in Canada. We can show you, Mr. Chairman, some of the finest organizations to be found anywhere, plants of which any manufacturer would be proud. But I must say that it is impossible to stream-line a plant and plan work for the various units while the plant is expanding rapidly.

As an example of this, I would point out that the aeroplane industry has expanded its personnel forty times since the war began. The average intake of new men into this industry exceeds 2,000 a month. These men come from the farms and the schools without any mechanical training, and it is necessary to teach them to do the work they will ultimately perform. For that reason, any one going through an aeroplane factory often sees men standing around who seem to be idle. The fact is that they are studying the work

of the men in front of them; they are, in fact, learners. We also have men who say that they could turn out more work, but we find that we must insist on less speed and more care at the start. I recall one very bright man who went into an aeroplane plant full of zeal and ambition but with absolutely no mechanical knowledge. The foreman stayed over him the first day to teach him one particular process, but on the second day he was placed on his own. He decided that he would show the foreman what he could do. He turned out a tremendous amount of work, but it was found that he had destroyed over $3,000 worth of stock and had produced nothing which would be useful in an aeroplane.

I could cite a number of examples of the difficulty of organizing a plant while it is being started up or where it is subject to rapid expansion. If any hon. members go through a new plant and hear stories of that kind, I hope they will assess the full picture. I hope they will ask: "Is it a plant being expanded, or is it a plant that is up to capacity and should be running efficiently?" When hon. members hear stories of men who can do more work, I hope my hon. friends will take that into account.

The same thing, of course, applies to plants that are retooling. It is an obvious sequence of war that the type of weapons changes from time to time. A shell that is needed to-day may not be needed to-morrow. If that is the case there is only one thing to do, tear down your tooling and tool for the type of shell that is required. The type of air fighting changes, and it is necessary to change the type of aeroplane or perhaps introduce modifications on the type being built.

We go out of the production of domestic motor cars, and it is necessary to stop production lines to change the tooling and accept a loss of time, even amounting to several months, before the production line can be turned over to the new product. Everyone who has been associated with the motor car industry is well aware of this situation. Ever since motor cars have been built by mass production, the industry has expected a lay-off of from two to three months in the summer while the production lines are being changed for the new models. The production of a new model is started over a year in advance of the first car being produced. That is incidental to mass production. It is not a situation confined to motor cars. It is true of almost every article that depends upon mass production for its output.

Just to run over the progress in the various fields, as hon. members will appreciate, our shipbuilding industry is still expanding rapidly. We have perhaps two yards in Canada that are fully manned; the other seventeen yards are still in progress of expansion. One new large six-berth yard in Montreal laid down its first keels last week. At the present time we are launching a 10,000-ton merchant ship every four days, and we expect later on to bring this period down to three days. The yards of the great lakes and some of the yards on deep water are full-out in the production of corvettes and mine-sweepers. Those yards are still being expanded; new berths are being built, and that type of construction is getting near the objective as far as output is concerned. In the small boat field I think we have built some 14,000 small boats since the war began, and this field is fairly active, particularly in connection with the wooden Fairmile, the wooden mine-sweeper and smaller craft.

In the matter of aircraft, our production is now stepped up to about 400 planes a month, and we have plants that are not in production. A large plant on the west coast that is building PBY boats is just coming into production. I believe the first plane is being test-flown at about this time. We have three other plants which are working on new types of planes and which will not be in production for some months. The plants that have been standardized on certain models and given unlimited production are beginning to step up their production to very satisfactory proportions. I may say that at the commencement the aeroplane industry was quite small, and orders for our own air force were small. The industry was then dealing direct with England and taking small orders from there. We had orders of fifty, one hundred and two hundred planes in process, and many changes in tooling were necessary. We have now reduced our production to nine types of planes, and the plants are cleaning up old orders and concentrating on one type of production for each plant with accordingly improved results. At the present time we are looking after all the requirements of the air training plan. We are building operational planes for our own air force, and we have accepted substantial orders for operational training planes from England and from the United States.

I should like to speak particularly of Federal Aircraft company. That company has been criticized severely in this house, and recently a number of newspaper and other articles have appeared reflecting on its work. I think the work of this company is more outstanding than any other item of aircraft production. The reason for starting the company, as hon. gentlemen will remember, is that at the time of Dunkirk, we suddenly received notice that

the promised Anson planes for our air training programme could no longer be sent from England. The company was formed in July, 1940. It had no plant. All the plants at that time were loaded with orders up to their then very small capacity, and the company was told to go out on the highways and byways and find manufacturing capacity for the planes it was to build.

The company had also a big redesigning job on hand. The Anson plane was suitable for English production and designed to English standards, and it was impossible to break that plane down and have it built to English standards in the small shops of Canada. While this redesigning job was going on, numerous changes were made in the plane. Originally it had a fixed undercarriage, but the design was changed and a retractable undercarriage put in. A new type of motor was also put in the plane, and numerous other changes were made in the fittings to make the plane suitable for Canadian training requirements. That redesigning job was carried through, and the first plane was ready for flight in June, 1941. Production of the Anson has reached well over 600 planes. We planned for a certainly monthly production, and I may say that the actual production has run 50 per cent over the planned production and could be speeded up more than that. We have not only filled the requirements of the Canadian air force but have accepted orders from purchasers elsewhere, and we expect that the industry which has been established by Federal Aircraft, which carries some fifty or sixty plants in all parts of Canada, will be a continuing industry for a very considerable time.

Mr. JACKMAN: Does the minister mean after the war?

Mr. HOWE: No, but certainly until the end of the war.

In automotive vehicles the industry is going full-out. Over a quarter of a million vehicles have been produced and shipped abroad. I think our vehicles have been in every area of active combat. The most interesting of all the vehicles is the universal carrier. Its production has been stepped up to a very large output indeed, many times the output that was first contemplated.

In tanks, the Angus shops are running at a very uniform pace, meeting the objective that was set for that company. No week goes by, I think, when the required number of tanks is not produced. We made certain commitments on tanks and other equipment for Russia, and at the end of the first three months we were exactly even with our commitments, having shipped on the due date every tank and every piece of equipment that had been promised.

Our other tank arsenal, which is the second largest tank arsenal on this continent, is not up to capacity. There has been delay in obtaining delivery of transmissions. That has been the main difficulty. The output of transmissions for all tanks on this continent was organized in the United States, but the manufacturers have not lived up to promises, with the result that for the last several months every transmission as it is received can be put into a tank and the tank driven away at once. If a transmission comes into the factory in the morning, it goes into a tank, which is driven out of the factory the same afternoon. All the problems connected with the design and production of tanks have been solved, and to-day it is just a matter of assembling the necessary material to bring our big tank arsenal up to its objective.

Mr. DIEFENBAKER: Any production of engines in Canada?

Mr. HOWE: No; the engines are not made in this country.

Mr. DIEFENBAKER: Transmissions?

Mr. HOWE: Nor transmissions, except the infantry tank transmissions. They are made in this country. The Ram transmissions are not.

In the production of naval guns great progress has been made. We are making quite a list of naval guns. I think all of them are in substantial production, except a factory in Vancouver which is just getting into production.

We have had particularly good results with the production of gun mountings and the fittings that go with the gun, which are more of a mechanical problem than the gun itself. In every case our gun-mounting programme is ahead of the manufacture of the guns themselves.

We have also carried out a very considerable programme, for both our own navy and the British navy, of producing special radio equipment and accessories such as firing mechanisms for naval ships.

In the matter of field guns and small arms our programme is almost completely in production. We have one plant at Windsor making automatic guns for tanks, which is not yet in production. We intended that plant for a different type of production, but due to changing requirements overseas we had to retool, which has rather set back production. But that plant will be the last of

our big automatic gun plants to go into production. The Inglis plant—we have expanded that again and again, and any figures I have given in the past about the production of the Bren gun, the Colt-Browning and the Boys anti-tank gun, have been greatly exceeded. Unfortunately I cannot give actual production figures because I have agreed that we shall not give even approximate figures for this type of production.

The government arsenal making rifles—Lee-Enfields—and Sten guns is getting up to capacity. It is not at capacity with respect to rifles but is stepping up at the present time at the rate of 4,000 rifles a month, and we hope to get capacity by August. In the matter of Sten guns the production is very large indeed, and is stepping up by a thousand or more each month.

As regards field artillery, the 25-pounder guns are being produced at more than fifty per cent over the rated capacity of the plant. The 3·7 anti-aircraft guns are coming into production. A substantial number of guns and mounts were shipped last month as complete and tested, and it is expected that the output will step up by geometrical progression as we go on. That is the largest and most complicated gun that we have undertaken, and the bringing of it into substantial production is a major feat of our gun programme.

The Bofors gun programme, which was delayed because of production troubles, is now swinging along very well. The one hundredth gun was produced last month; the number will be very substantially increased this month, and we expect to bring that plant up to full production about September. All present needs—certainly all needs in Canada—have been supplied, and we are now taking care of export requirements.

In the tank and anti-tank gun field, as I mentioned before, output has greatly exceeded our plans, and we are in a most comfortable position in both those supplies. We are making a very large number of bomb-throwers, several sizes, rocket-guns, and almost everything in that line, and all in very substantial quantities.

In the matter of ammunition we have forty plants at present turning out artillery ammunition, and it is being produced at the rate of millions a month. Types have changed frequently, which caused interruptions, but in general the production is well over the planned capacity.

We are also turning out aerial bombs, trench-mortar bombs and anti-tank mines in very considerable quantities.

The chemicals and explosives branch is still being expanded as requisitions for new explosives and new chemicals come to us. This has been a most satisfactory branch of the work of the department. As I said some time ago, many of our explosive plants—I believe practically all of them—are producing some 75 per cent over the original planned capacity. Our chemicals are being expanded to keep up with the increased rate of production, and we are really turning out ammunition—sufficient to do all our own shell-filling, of both small arms ammunition and artillery ammunition—and bombs, and we have a very large surplus which is shipped to the United Kingdom.

In the matter of small arms ammunition we are getting up over a billion rounds per annum. Our own arsenals, and government plants under private management have all come into production in a very satisfactory way. We are still expanding very largely in the small arms ammunition field. It seems to be one field in which Canada excels all countries. We have been pressed continually for more production and a wider variety of production. We are taking on new lines as rapidly as we can absorb them, and I think we can say that the expansion of that type of production will go on for a considerable time.

The industry and subcontract coordination branch is making steady progress. This is a most helpful branch of our department in the present situation. It is making a specialty of helping displaced industries, and remarkable results have been accomplished. I will not say for a minute that the branch is able to take care of all displaced industries. Many peace-time industries are not equipped to do useful war work, and these cases present a real problem. But the industry and subcontract coordination branch have done much to help to fill up the small machine-shop, and a great deal to put war work into displaced peace-time industrial plants.

The construction division is extremely active. I believe that both in the field of buildings and in that of airport construction the year 1942 will be the largest building season we have had. Each season we think the next season will see a slackening off, but the needs of our air training plan for operational airports, and for new training centres for both the military and the air force, seem to pyramid rather than to decline.

The wartime industries control board is a matter of great interest at the present time. I will follow my notes in discussing the work of that board.

The intensification of the war has reemphasized the importance of the part played by the system of economic controls centralized and coordinated by the wartime industries control board. Within the Department of Munitions and Supply there are twelve controllers, whose duties are to ensure that the materials or services within their respective productions are forthcoming for war needs in adequate quantities. Each of these controllers is therefore endowed with wide powers appropriate to his particular function. Each controller, broadly speaking, exercises powers to do two things: first, to see that the necessary productive facilities are expanded as far as possible; second, to limit and, where necessary, to prohibit production for civilian use in the case of those materials which are scarce in relation to war and essential demands.

I might say that the difference between the industries control board in my department and the wartime prices and trade board in the Department of Finance is that my controllers interest themselves only in materials and supplies which are urgently required for war, whereas the other board deals with peacetime commodities.

It will be readily realized, however, that if the difficult and complex task of diverting production away from civilian toward war use is to be accomplished in an effective, orderly manner and without unnecessary dislocation, a high degree of coordination of policy and procedure is necessary. The necessity of such coordination and control is the more apparent now that we have reached the stage that restrictions on production for civilian purposes must in many instances be severe, and when in some cases outright prohibitions are necessary.

Accordingly, since its reconstitution in August, 1941, the wartime industries control board has existed to promote coordination and integration of the functions of the twelve controllers and also to provide a centralized point of contact between the control agencies of this department and other governmental agencies dealing with related problems.

The board is structurally designed to facilitate such coordination. It is composed of the chairman, who is also the director-general of the priorities branch of the Department of Munitions and Supply, and twelve controllers; the chairman of the wartime prices and trade board and the president of the commodity prices stabilization corporation.

No order of an individual controller having general application is valid until it receives the consideration and signed approval of the chairman of the board, and if the order involves the imposition of a production quota the minister's signature is also required. Any order involving price fixing requires in addition the signed concurrence of the chairman of the wartime prices and trade board.

The board holds regular meetings for the formulation of control policy and for the consideration of problems of individual controllers in relation thereto. In addition, an opportunity for day-to-day discussion and exchange of information is provided through the office of the chairman and through the board's secretariat. Liaison with the wartime prices and trade board is particularly close since the chairman of each board sits as a member of the other board and because action by controllers with respect to price requires the concurrence of the wartime prices and trade board.

Recently, with a view to avoiding duplication of administrative machinery, a working arrangement has been concluded whereby wartime industries control board controllers have agreed to extend their spheres of interest and to perform additional duties as administrators for the wartime prices and trade board. Also, with a view to avoiding duplication, the wartime prices and trade board has made available to the wartime industries control board the use of its regional office facilities and its investigatory and policing organizations.

As custodians of materials required for the war programme, the wartime industries control board is directly interested in the matter of exports. Accordingly, the chairman of the board as well as the metals controller sit as members of the advisory committee on export control, and the board is also directly represented on the executive subcommittee of that body. In like manner the board has direct representation on the shipping priorities committee, which committee is concerned with the provision of shipping space for the importation of essential materials into Canada. Contact with other governmental agencies is maintained on a less formal basis, but is nonetheless effective. In addition, the board may and does make recommendations to its minister from time to time with regard to specific problems as they may arise.

I do not propose to review all the individual orders issued by the controllers and approved by the chairman of the board since the board's inception. There have been over 100 of them. It may, however, be of interest, as an indication of the manner in which the board is dealing with the problems that confront it, if I review briefly the high lights of recent actions taken primarily as a result of the conditions created by the extension of the war into the Pacific.

Immediately upon the outbreak of hostilities in this new theatre of war, the board met with a view to effecting such additional control measures as appeared necessary by reason of the threat to our Pacific supply lines. Immediate action was, of course, taken to conserve vital supplies of rubber. As an initial temporary measure an order was issued by the controller of supplies freezing dealers' stocks of tires and tubes and suspending the processing of raw rubber generally for other than defence or munitions projects. Acting concurrently, the motor vehicle controller prohibited the supplying of spare tires and tubes as motor vehicle equipment. Subsequently the processing of rubber has been permitted for the time being only in the case of an extremely restricted list of clearly essential uses. The use of crude rubber for civilian purposes has been so restricted that the volume so conserved has been reduced by over 70 per cent in the past two months. I may say that very much less than 30 per cent is being used for civilian purposes at the present time.

The manufacture of tires for passenger automobiles was discontinued on December 12 last. The sale of new tires and tubes to the general public has been prohibited completely and may be made only in the case of a very much restricted eligible list of essential public services, and only then under permit and on delivery by the purchaser of a used tire or tube, as the case may be, for which no allowance or payment may be made.

Supplies of used tubes and tires have also been brought under control by establishing appropriate restrictions and requirements of proof of necessity.

While on the subject of rubber, I should mention two noteworthy developments on the supply side. With the cooperation of the wartime industries control board, arrangements have been made for the establishment of a governmental corporation known as Tolymer corporation to produce synthetic rubber in Canada. Work is under way on the preliminary plans and specifications, and it is expected that production will begin before the end of 1943. When the plants are working at capacity, the output will approximate 27,000 tons a year.

I should be careful to point out that this synthetic production will in no way relieve the civilian shortage, since every last ounce of the synthetic product will be earmarked for war purposes.

We have also set up a scrap rubber division of the Department of Munitions and Supply, which will devote its entire time to the collection of scrap rubber throughout Canada. Arrangements have been made for the government to absorb freight charges in connection with collection so that the price paid for scrap rubber will be the same in all parts of Canada. The scrap rubber so acquired will be used for the manufacture of reclaimed rubber which, in turn, will be employed in the manufacture of war materials and vitally necessary civilian articles.

The automotive industry normally consumes large quantities of steel, rubber and oil, as well as other essential materials. Hence production of passenger automobiles for civilian use has ceased completed as of April 1. This has meant that the total number of passenger cars produced in Canada in 1942 for civilian use will be approximately 7,900 units compared with approximately 81,700 units in 1941 and 94,633 in 1940. Out of the automobiles completed from parts already fabricated, the motor vehicle controller is establishing a bank or reserve supply of some 4,000 cars to be drawn upon only for essential use as occasion may arise in future. As from March 14 the production of motor trucks for other than defence and munitions purposes has been prohibited except under permit from the motor vehicle controller. The transit controller has also issued an order banning the operation of buses for sightseeing tours and prohibiting all charter trips of a non-essential nature except those which may be directly identified with the war programme.

With regard to gasoline, it is, I think, fortunate that the basis of a civilian rationing programme had been established prior to the extension of the war into the Pacific and the recent serious increase in tanker sinkings along the Atlantic seaboard. Organizational work in connection with the rationing plan has now been satisfactorily completed and, as hon. members know, rationing was effective as from April 1. I may say that the results to date indicate a reduction of about 40 per cent in the gasoline which we expected to have consumed in that month without rationing, which, I think, is a fairly satisfactory reduction.

Mr. HANSON (York-Sunbury): Forty per cent less than the minister expected would be consumed?

Mr. HOWE: Yes. In comparing it with the month previous there must be taken into account the fact that in the months of January, February and March there was a substantial increase in use over that of the corresponding months of last year. The actual decrease in April of this year compared with April of last year is 34 per cent, but taking

account of the normal increase as indicated by the first three months I think the reduction is estimated at about 43 per cent.

Mr. FRASER (Peterborough West): That is civilian?

Mr. HOWE: Yes.

Mr. FRASER (Peterborough West): Not the army?

Mr. HOWE: No. That reduction is, I think, due largely to people being careful about the manner in which they use gasoline rather than to the size of the unit, which at the moment is a fairly generous allowance.

Mr. HANSON (York-Sunbury): There is another factor: many people have not obtained licences for all the cars they have.

Mr. HOWE: In other words people are conscious of the fact that gasoline is scarce, and they are being careful.

Mr. NICHOLSON: What is the increase in the first three months of this year as compared with the corresponding months of last year?

Mr. HOWE: I think it is about 12 per cent.

Mr. NICHOLSON: Is there any special reason for that?

Mr. HOWE: No; just greater business activity.

Mr. FRASER (Peterborough West): Would the minister explain the shortage of gasoline?

Mr. HOWE: My hon. friend asked me if that was pleasure driving or commercial. As far as civilian use is concerned it is both. It does not apply to the military, but gasoline for both commercial and pleasure purposes must be bought through authorized pumps, and it is to consumption from those pumps that I am referring.

Mr. FRASER (Peterborough West): That 40 per cent saving would not take care of the air force?

Mr. HOWE: No; the air force requirements are growing, as are those of the military. That is not under the control of this department.

Hon. members are, of course, aware that there is no shortage of petroleum in the western hemisphere; the matter is wholly one of transportation. Therefore the position varies in different parts of Canada. The prairies are largely self-sufficient through the production of the Turner valley and importations from adjoining states. That situation is quite stable. On the Pacific coast we had a serious situation. We diverted part of our tanker capacity so that we could look after that coast with our own tankers. There has been no serious inconvenience through losses of ships on that coast, and the position of the Pacific coast can now be said to be normal.

The position in Ontario, particularly southern Ontario, depends on a pipeline from the midwest field, and the usual supplies have been coming in by that pipeline. The pipeline has been operated to full capacity every moment for at least a year, and it is still operating at capacity. Where we are finding great difficulty is on the Atlantic seaboard and in Quebec, which is supplied from the Atlantic seaboard.

Mr. REID: How long is the pipeline that brings in the oil from across the line?

Mr. HOWE: Into Ontario. It comes from Oklahoma. I do not know the mileage. It is fed from the Oklahoma and midwest field.

Mr. MacNICOL: It comes to Sarnia, does it not?

Mr. HOWE: Yes. All of us who read the papers appreciate that the sinking of tankers on the Atlantic has been a very serious matter. Also the loss of certain oil fields in the far east has made necessary the diversion of tankers on voyages from that area. The result is there is a serious shortage of tankers. The situation for the maritime provinces, Quebec and eastern Ontario is far from satisfactory. The needs of the army, navy and air force are reasonably protected, but civilian use is running on an extremely thin margin.

Mr. BLACK (Cumberland): In view of the shortage of oil and gasoline in the maritimes has the department taken any steps to investigate the possibility of developing very large oil shales in different parts of Nova Scotia; Pictou, Antigonish and other counties and on Cape Breton island; also Albert county in New Brunswick where there is a very big shale field?

Mr. HOWE: I am attempting to make a statement. Would my hon. friend be kind enough to ask me that later? I can hardly keep to the thread of my discussion and answer questions of that kind at the same time.

Mr. McIVOR: The minister should be allowed to complete his statement.

Mr. HOWE: The purpose of rationing is to have the gasoline situation under control, as far as the commercial and domestic field is concerned, and to be able to divide equitably among the users such gasoline as we have. I wish those who speculate about the future of the gasoline ration would keep that in mind. When it is necessary, in order to divide fairly

such gasoline as we can obtain, to reduce the amount deliverable on a coupon that will be done, but it is very bad for the morale of the people for the newspapers to be constantly forecasting cuts which are not under contemplation. When a cut in the amount issued on gasoline ration tickets is necessary it will be made immediately. There will be no forecasting; before anyone can have time to forecast what will happen to-morrow, the thing will be done. Therefore I hope that there will be less speculation about the future of the gasoline coupon. Its purpose is to divide the available gasoline fairly, and it will be used for that purpose.

Mr. HANSON (York-Sunbury): There has been a cut already, has there not?

Mr. HOWE: No.

Mr. HANSON (York-Sunbury): Then the newspapers are wrong.

Mr. HOWE: Quite. The newspapers have forecast cuts in gasoline coupons many times, but there has been no cut. When there is a cut it will be because there is not enough gasoline to go round, and by cutting the amount deliverable on a coupon we shall spread more fairly what is available.

Mr. STIRLING: Have not the B category books been called in?

Mr. HOWE: No, but there have been certain reclassifications. In the issue of coupon books we had to scratch an organization together in short order. We called for the help of the provinces. It was cheerfully given and an attempt was made to do a good job. But the application forms for the higher categories have been reviewed to see whether the necessity was real, and we found that many people had obtained needlessly high categories. In these cases the books are being called in and proper categories issued. But that is not a change in the system; it is simply an attempt to perfect the system.

Mr. COLDWELL: Then there is no truth in the statement that everyone is to be placed in category A?

Mr. HOWE: No. If I were doing the thing again, I would do it in that way, because experience shows it would be a better way, and then, by another book, make special provision for those entitled to it. When we started with this system we did not foresee the zeal that people would show in order to get higher categories. When the books are issued for 1943, I think we shall have a much better system.

Mr. COLDWELL: There should be some system of numbering.

Mr. HOWE: Yes, and better binding. But the thing was done hurriedly. We were pioneers. We deserve some credit for that. The United States are following our system and will probably improve it, but for a pioneer system it works pretty well.

Steps have also been taken to conserve further the use of essential metals. The metals controller has prohibited the sale of pig-tin for civilian use without his permission, and has drastically restricted or prohibited the use of tin and tin alloys in certain products. The controller of supplies has taken action with respect to a long list of non-essential metal products. Production of some of these articles has been prohibited entirely, while manufacture of the remainder which possess some degree of essentiality has been materially curtailed. Further curtailments have been made in the production quotas of refrigerators and washing machines, while in the case of radios production for civilian use ceased entirely after January 31, except under permit from the controller.

Also as part of a programme aimed at the conservation of essential materials, manila hemp, sisal and kapok have been brought under the jurisdiction of the controller of supplies and appropriate conservation measures effected.

Since the end of January, the powers of the controller of construction have been enlarged to give him jurisdiction over the entire construction field with the exception of equipment, plant or buildings owned or financed by the federal government. Prior to that date, the jurisdiction of the controller did not apply to one-, two- and three-family dwellings, structures erected in connection with certain primary industries, churches, public hospitals, educational institutions or buildings financed by or under the control of any provincial government, which categories were, as of January 30, brought under his control. Under his powers as revised, in the case of any building other than a plant, all projects in excess of $5,000 must be licensed by the controller before being undertaken. In such case, the cost of construction, repairs, alterations, additions and installation of equipment, if forming part of one project must be considered together as one amount in calculating the maximum value permitted without licence. In the case of a plant, equipment to the value of $5,000 may be installed without a permit, in addition to a total value of $5,000 so allowed for construction, repairs, additions and alterations. The controller has

also been given jurisdiction over production and use of construction materials and facilities.

In this as in other areas of control, the broad powers of the controller are exercised to the end that non-essential projects involving the use of scarce materials shall be postponed for the duration of the war. This basic principle of control serves the twofold purpose of conserving materials now vitally needed for the prosecution of the war and of building up a backlog of deferred civilian projects which will, in due time, be of considerable value in helping to cushion post-war readjustments.

The foregoing remarks will, I trust, give some indication of the structure of the war-time industries control board, and of the scope of its activities. By reason of the board's existence, control measures proposed by any one controller have the benefit of consideration from all relevant aspects; orders when issued are not at cross purposes with those of other controllers; and, finally, the whole control programme is kept in line with its basic objective, which is the effective mobilization of economic resources.

Just to hurry on and finish my statement before six o'clock, I may add that Canada is, of course, producing munitions far in excess of the requirements of our own troops or the requirements for the defence of Canada. We are shipping these munitions to every area of warfare in the world. The largest shipments are, of course, to the United Kingdom, but very large shipments are being sent to the middle east, Russia, Australia, New Zealand, India, and South Africa; and during the campaign in Greece we sent large shipments to that country. We are very large shippers to China. The first aid received by China from North America, as Doctor Soong stated in a public address some time ago, came not from the United States but from Canada. It was a very substantial shipment of Bren guns, ammunition and some items of artillery. Since that time, every month has seen sizeable shipments made to China. We were also large shippers to Singapore, Malaya, Java and the Netherlands East Indies.

It seems to me that in the munitions programme Canada is taking part in the war on a world-wide scale. The main objective for Canada is to keep the war away from Canada. That, I think, is the only protection we have for our Canadian citizens. Therefore I think shipments of arms to China is a worth-while contribution to the defence of Canada. There are several hundred million Chinese people. For six or seven years they have been putting up a splendid resistance to better equipped and better trained Japanese forces; and, properly armed, China is in a position to play a very important part in the future of this war. Again, I think our shipments to Russia have been worth while. Here also we have a population of some 160 million people fighting a most gallant battle against better equipped and perhaps better trained troops; and anything we can do to reinforce the effort of the Russian people is another way of keeping the war from Canada. The same thing applies to India. We have been a large shipper to that country since the beginning of the war, and we are continuing to send large shipments. Here again we have a large population immediately subject to attack, and here again we are in a position to defend Canada by sending arms to the other side of the world. I am happy to say we have made substantial contributions to our sister dominions, all of which are, I think, more immediately subject to attack than is Canada. I am always delighted when we can make substantial shipments of arms, munitions and radio devices to those countries. Therefore, while we think of Canada's munitions effort as auxiliary to Canada's armed services, in a way those munitions are going to a wider front, in that they are playing a part on every battlefield of the war, than the nature of the war thus far has made it possible for our armed services to do.

I think this concludes what I have to say by way of statement, but when we reassemble I shall be very glad to explain any points in which hon. members may be interested.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. ROWE: Mr. Chairman, when the committee rose at six o'clock the Minister of Munitions and Supply (Mr. Howe) had just concluded a brief but rather comprehensive survey of the activities of his important department. We realize that probably at no time in the history of Canada has any department been charged with greater responsibilities than that of the Minister of Munitions and Supply at this particular time. The administration of his department involves responsibilities of tremendous dimensions and, as he has stated in his remarks, it indeed causes extensive repercussions on our whole economic system. To keep the wheels of our munitions and supply industries going is an unprecedented

challenge to our human and natural resources. However, it is with considerable alarm that one observes the tremendous financial obligations on our country that are involved.

As the minister has well said, it involves the coordination of control and the curtailment of civilian consumption. As he has stated, this is necessary if we are to wage an all-out war. The change from civilian consumption and production to war-time production is no small task. I am not going to discuss the details of the administration of his department because I realize that the minister has worked and laboured very hard. He has more than ordinary native ability; he has had long experience, and I know there are many contentious features to be met with in the administration of a department of that size. My only purpose in rising at this time is to offer such constructive help as I can to the government in order to create a better plan by which our people may play a fuller part in the gigantic task that now challenges every freedom-loving nation in the world.

If we are to justify our place in this democracy in which we live we must wage a total all-out war with all its bitter consequences. We must include in our many sacrifices the temporary surrender of personal privilege and accept more or less the regimentation of our total war necessities. Never in our country's history has our task been so clear; and, so long as our liberty stands at bay, Canada must march in war rather than stand in defence. It is agreed that the task of the Minister of Munitions and Supply to furnish all the machines, munitions and other equipment that our resources can supply as a striking force is fundamentally a responsibility of government.

As the minister has said already, civilian consumption must be curtailed; indeed, civilian consumption must take what is left. The less we consume at home, the more we can fight abroad. We should not be satisfied with our war effort until we have a total output for war as high as it can be organized and a consumption of civilian goods at home as low as it can be endured. The extent to which we reach such objectives will reflect the greatness of the democratic way of life for which we fight. Amidst the blood, sweat, toil and tears that must be endured there at the present time is a glorious opportunity for this government to lead the country in reforms that will reduce inequalities of sacrifice in time of war as well as inequalities of happiness in the peace that we hope may soon follow. This cannot be achieved by merely meeting unexpected emergencies with hastily employed expediencies It cannot be met either by a gunshot prescription of price fixing, rationing of goods, restricted sales, cramped business and high taxes.

The production of the necessary volume of munitions and supply creates subsequent problems for our whole economic system. We must have less chance and more design. Therefore, at this late date I hasten to urge the government to inaugurate a more basic war-time plan that may be more generally and universally applied to this gigantic problem. The mobilization of money as well as of men must be adopted. We have a two billion dollar vote before us now. We must find the money before we can produce the goods. Perhaps there are those who would prefer to call it conscription of wealth. However, many months ago I stated in this house that the government should have given consideration long ago to a policy of compulsory saving of a certain percentage of all the net wages and income above a reasonable living allowance. That is, above a reasonable living allowance for our people who are engaged in this great war problem.

May I, therefore, as I urge the government to take action again, be permitted to give a few reasons why I make this statement. First, I believe it would provide funds for the immediate prosecution of the war and the provision of the munitions and supply we are now discussing. Second, it would curtail as well the increasing purchasing power for non-essential civilian goods, referred to by the minister. Third, it would avoid inflation, and everybody shudders to think what inflation might do to our general economy. Fourth, it would more evenly distribute Canada's debt so that many war workers and soldiers would have, after the war, a source of income that they might not otherwise have. During the last year or two we have learned a good deal about the tendencies that are now developing.

In April last there appeared in the press a report by Mr. Spinney, chairman of the finance committee of Canada, with reference to our war loan issue. This statement announced that the final figures for the last victory loan which opened on February 16 showed that one out of 6·5 of Canada's population purchased bonds, whereas in the first victory loan in June, 1941, one out of every 12·02 bought bonds. Notwithstanding the fact that this loan was originally floated for $600,000,000 and then approached $900,000,000, this announcement is quite significant. It is indicative of the distress signal over controls already employed to check inflationary trends in our war economy.

Failure to recognize this could, to my mind, give rise to social and economic dislocations which, if allowed to continue, not only would impair the progress of our war effort but might affect our whole democratic economy following the war. Increased employment coupled with wages higher than those that prevailed prior to the war, and the huge governmental spending for armaments that we are now discussing, all create increased purchasing power at a time when the transition from peace-time to war-time economy is decreasing the supply of civilian goods which can be purchased. To meet this inflationary trend we have adopted measures of price fixing, wage and price controls, rationing and restriction of sales. All these measures, while they have in themselves contributed materially to curtail inflationary trends, do not measure up to the gigantic problem that is facing this country at the present time, which I fear is all too often lost sight of.

By means of increased taxation the government has endeavoured to divert as much as possible of the excess purchasing power created by huge government expenditures in almost every field of endeavour as a result of the war.

Notwithstanding the increased taxation and the prices and wage controls exercised by the government, there has been a very substantial increase in the real wages earned by Canadians since war began.

It would appear, Mr. Chairman, that the large group which has received large increases in purchasing power as a result of the war is not being effectively reached by our bond issues or our various war savings campaigns. A continuation of this situation is most dangerous to our economy because, unless some action is taken to reduce still further the increased purchasing power now in the hands of would-be purchasers, the inflationary forces so much feared will become a reality. As time passes and our war effort progresses, the amount of consumer available goods will diminish, and at the same time government spending will be increasing tremendously.

The volume of goods for civilian consumption is at the present time below the 1933 level, whereas the national income this year is over twice the income level of 1933, due in no small degree to our production of munitions and supplies.

It is obvious that notwithstanding the measures of price freezing and wage control already employed, further restrictions on the volume of purchasing power must be initiated if inflation is to be avoided.

The ever-widening gap between increased purchasing power in the hands of the public and the ever-diminishing supplies of consumer goods will have to be met by more effective measures. This can be approached either by increased taxes or compulsory savings, or by a combination of both; but some aggressive action must be taken to control the excess consumer purchasing power created by our war-time economy.

No one should expect to gain from the war in increased net returns from profits, dividends, rents, wages or prices. There can be little disagreement with this principle, which has been recognized in our excess profits tax policy. The wage earner or the business man, enjoying comparative safety in Canada, who may reluctantly pay new taxes and hesitate to lend his savings should pause and consider the many who are cheerfully offering their lives and hopes, without financial gain, to save this critical day. That everyone should pay something toward the cost of the war is, I believe, a principle acceptable to the Canadian people, because all should be willing to make their contribution toward bringing this conflict to a speedy and successful conclusion.

Excepting those whose standard of living is already at a low figure, I believe that every man, woman or child in Canada who has an income would willingly pay 5 to 10 per cent of it as a war contribution in the form of compulsory savings withheld at the source.

This money would then be made available to the government for the prosecution of the war and would be repayable to the individual in instalments during the period of rehabilitation that will follow the war.

The latest figures I have been able to secure from the bureau of statistics on the distribution of the national income cover the years from 1930 only up to the year 1938, but even these are quite significant. I shall not weary the committee by reading this table but would ask permission to put it on *Hansard*. I will cite only the figures for 1930. In that year salaries and wages amounted to 59·6 per cent of the total national income; other labour income, 2·2 per cent; net dividends, 4·6 per cent; net interest, 4·4 per cent; withdrawals, 33·5 per cent; net rentals and mortgage interest, 5 per cent. The figures for the succeeding years show a similar range. The complete table is as follows:

Percentages of National Income

Year	Salaries and wages per cent	Other labour income per cent	Net dividends per cent	Net interest per cent	Withdrawals per cent	Net rentals and mortgage interest per cent
1930.....	59·6	2·2	4·6	4·4	23·5	5·7
1931.....	58·6	3·2	4·7	5·0	22·2	6·3
1932.....	58·2	4·5	3·7	6·5	21·4	5·7
1933.....	57·3	5·4	3·3	7·2	21·8	5·0
1934.....	58·0	6·2	3·3	6·9	21·4	4·2
1935.....	58·1	6·1	3·6	6·6	21·2	4·4
1936.....	58·7	5·6	3·6	6·0	21·2	4·9
1937.....	59·7	5·3	3·8	5·4	20·9	4·9
1938.....	59·4	4·8	3·9	5·4	21·1	5·4

These figures show that salaries and wages accounted for 59·4 per cent of the national income in 1938. This figure of 59·4 per cent, and other labour income of 4·8 per cent, combined with the withdrawals, which constitute largely the income of farmers, merchants, distributors, et cetera, withdrawn from their business as personal expenses and listed as 21·1 per cent, in all totals 85·3 per cent. This means that the percentage of the national income derived from the so-called "rich" in dividends, interest, rents, and mortgages combined, accounted for only 14·7 per cent of the total national income in 1938.

While recent figures are not available, it is reasonable to assume that under our present accelerated war economy, coupled with the restrictions applied to control rents, dividends, et cetera, the percentage of the national income in the class of earned income is to-day a higher percentage than at any previous time in our history.

Any effort to reduce the purchasing power in the hands of the people must be directed toward where the national income is greatest, because the heart of any anti-inflation policy is the restriction of spending, particularly in non-essential consumer goods, by the great majority of our people, as well as by the 15 per cent of the few so-called "rich".

Recognition of this fact is evident by the campaign to induce the Canadian people to purchase war savings certificates. Doubtless there are a great many wage and salary earners who are not contributing in any measure to this effort, and it is unlikely that the voluntary appeal can achieve much greater results than the national objective of ten million dollars a month.

In war time compulsion is often a necessary step. While compulsion may be temporarily distasteful to a democratic people, it is necessary if a democratic people are to succeed against a totalitarian group of nations where everything in the interest of the state is done by compulsion.

I would suggest to the government that consideration be given at once to the adoption of a policy of compulsory savings as an essential and integral part of our war supply policy.

This is important, not alone because of the revenue that would be made available for the immediate prosecution of the war, but as well in view of the anti-inflationary effect such a measure would have on our entire war economy. The principle of voluntary choice in the purchase of war savings certificates should be retained; indeed, the publicity campaign should be accelerated, so that every dollar that can be saved over and above what may be involved in a compulsory savings plan may be made a fighting dollar. The vital war obligation of the hour demands, however, that this economic necessity must not be left to chance or voluntary choice alone.

Our present voluntary plan should accordingly be supplemented by a general loan levy, such as I have proposed, not only to increase the government fighting loans for to-day, but to equalize the war savings of our people for to-morrow. We have endeavoured to control inflationary trends by measures of price and wage controls, but these constitute only half-measures to cure inflation, and do nothing to prevent the disease itself. Unless compulsion is exercised to curtail this increasing tide of purchasing power, it is doubtful that the tremendous problems confronting us can be controlled. I would suggest to the government that legislation be introduced at this session of parliament to make operative by July 1 next a policy of compulsory savings, deductible at the source of income and repayable in instalments after the war.

While such a measure would entail considerable administrative detail work, the larger part of this work could be done by the employer in a manner similar to the national defence tax deductions now made at the source. The advantages of such a policy would be many.

First, this would constitute a definite anti-inflation step because the increased purchasing power would be withheld at the source. Second, the amount withheld would be in the form of non-transferable savings, repayable after the war. Third, repayments could be made in instalments during the period of rehabilitation when the war wage-earner might be unemployed and in need of state assistance. Furthermore, such a policy would give the wage-earner a certain security for the future, rather than permitting a limited few to hold the bonds of Canada's increased debt.

To make savings a compulsory deduction from every source of earned income in specific percentages would have the effect of making everybody contribute something for the prosecution of the war. The money raised would, through compulsory savings, be available to the government and would take the place of money loaned from chartered banks. This is important because it would place as much as possible of the federal debt in the hands of the people outside the chartered banks. A payroll deduction plan would assure a steady flow of funds for the prosecution of the war; it would cut down consumer spending, and, in the final analysis, it is the soundest kind of savings plan for the individual. The withholding of income at the source would assist in shifting our material and human resources to military uses without creating an excessive demand for non-essential civilian goods. It would mean the purchase of savings certificates from income rather than from accumulated savings in the banks as has been the practice in the past. The purchase of savings certificates from income rather than from accumulated savings would leave more money for the banks to purchase government bonds if the need should arise. It would provide the best means of building up national security for the element of our people most likely to need assistance during the post-war period of adjustment which must be anticipated.

I realize the problems of the government. I have endeavoured to give constructive assistance to the minister and to the government in the heavy task that is theirs at this time. However, as I conclude may I be permitted to warn the government of certain dangers in the trends that are being established by the expediencies with which emergencies are being met, and have to be met, from day to day.

[Mr. Rowe.]

Since before the fall of the Roman empire the lesson has been plain that economic liberty and civil liberty stand or fall together. We must, therefore, preserve as much freedom of choice for the individual consumer as it is possible to preserve in our way of life.

Universal price fixing and rationing, and all these regulations of a totalitarian and bureaucratic nature which we are now developing as expediencies to meet these emergencies, are to no small extent a product of totalitarianism itself; but that is not so in so far as Canada is concerned, and we do not want them to be the introduction to totalitarianism. I do not believe that we as a people who are fighting for democratic freedom should let a totalitarian system take root so deeply in this country that it will eventually destroy democratic freedom itself.

Even if such uncertain schemes were successful enough to control consumption completely, as the Minister of Munitions and Supply has indicated is his desire, so that a substantial fraction of our earned incomes could not be spent, the result would not be different—only more extravagant than if the incomes had been deferred from the outset, as I have suggested.

Accordingly, with a more limited purchasing power that would be brought about by such a policy, more free choice could be left with the individual. It would not be necessary for the government to ask the housewife to be a detective watching over her neighbour's consumption and purchases of her daily bread. In other words, it would tend to enable us to maintain through this crisis those basic principles that have enabled freedom of enterprise and individual initiative to give life and vigour to our democratic progress.

I urge the government in all fairness to give careful consideration to what, to my mind, is a basic essential in this war, a war-time plan which we have not yet had. It is all very well to organize an industry, all very well to get high-class dollar-a-year men here to carry on an industry, but we must find ways and means to maintain that industry. As the minister well said this afternoon, part of his duty is to mobilize all the great natural resources of this country, but if we are to mobilize them soundly I believe we had better start at the root of the trouble and meet these realities. Then we shall have a more effective way of financing the war and a sounder way of meeting after-the-war problems.

Mr. DIEFENBAKER: I do not intend to follow the hon. member for Dufferin-Simcoe (Mr. Rowe) in the argument he has advanced this evening, but I believe the ideas which he has placed before the committee merit the most serious consideration of the government.

My purpose in saying a few words at this time is generally to open the subject of munitions and supply with a view to obtaining some information from the minister regarding his department.

At the outset I commend him for the advances which have taken place during the past year. Munitions from Canada have found their way to the battlefields of China and Russia, and, as he says, to every allied front in the world. This afternoon he uttered one thought which I wish were understood all over this dominion, namely, that our duty as a country to-day is not to await the coming of the enemy to our gates but to see to it, as a nation and a parliament, that the enemy is kept from our gates. He has related some of the actions taken by the government and some of the drastic changes which have occurred.

The hon. member for Dufferin-Simcoe has mentioned the necessity of a curtailment of civilian purchases. I realize that there has been an expansion in munitions production since the war, that to-day 600,000 men and women are engaged in war production, and that about one million people are employed now who were not employed at the outbreak of the war. But one significant matter which must not be lost sight of is that we have 337,000 men and women in industry, supplying civilian requirements and wants, in addition to those who were so employed at the outbreak of war.

He told of the curtailments which were necessary to preserve rubber and gasoline. I could understand that there might be some who would raise objection thereto, but I have not yet heard of them. The people of Canada are ready for curtailments; they are ready to accept drastic reductions in their way of living; they are ready to make sacrifices; but they demand a lead on the part of the government. I believe that the attitude of the people to-day is that it is time for Canada to get tough. It is time to do things we have not done before, to the end that our efforts, our maximum efforts, shall be canalized or centralized into the war effort. In connection with aeroplane production—and that is what I will deal with in the main this evening—we should consider the question of immediate expansion. I will not go into a survey of what the minister has said, or an analysis of his speech. Before doing so, I shall wait until to-morrow when I shall have had an opportunity of reading in detail what he said. Let me point out, however, that if he is optimistic for 1942 and 1943, he was just as optimistic in 1940 and 1941, and yet he has to come to-day before this committee and say that some of the promises he then made were not justified by subsequent developments.

Mr. HOWE: When did I say that?

Mr. DIEFENBAKER: I listened to-day to what the minister said. He said, "I cannot say we did as well as we had expected."

Mr. HOWE: Does the hon. member think he can find that in my speech?

Mr. DIEFENBAKER: If the minister did not say it, at any rate that is what I understood him to say; and it is not the first time he has said that something he had in fact said had been misinterpreted. I ask him this question: Is it not about time for him, speaking about the expansion that has taken place in so far as assistance to industry is concerned —almost 400 million dollars—to tell the house and the country what the intention of the government is in regard to the assistance that has been given to industries which have been established? What does the government intend to do therewith after the war? What is the plan? In 1940 he announced in this house that the government had a plan with respect to the disposal of these industries, but as yet no explanation has been given along that line.

The opposition, desirous as it is to assist in the war effort, has made suggestions which have been adopted. The suggestions leading to many contributions to the war effort which the minister boasts about to-day originated in many instances on this side of the house. He spoke to-day about the production of tanks. Well, I look back two years ago and recall the ridicule that was heaped upon the hon. member for Parkdale (Mr. Bruce) when he first suggested it. The minister told to-day about the shipbuilding programme and the development of the industry in this dominion. I look back to a time less than a year ago, and I remember the scorn that was poured upon the hon. member for Cumberland (Mr. Black) and the hon. member for Vancouver South (Mr. Green) whenever they endeavoured to suggest that something along that line should be done.

While to-day a number of aeroplanes are being assembled in Canada, is it not about time that some progress be made in the production of engines for aeroplanes and parts, in order that there may be complete assembly in this country? Two years ago, if I remember rightly, he said that such a scheme would take about two years. It is about time we started in that direction. A year ago, six months ago, the minister said, when the hon. member for Cumberland asked that something be done toward the production of wooden ships, that it

could not be done. He ridiculed the arguments in that behalf of the hon. member. The other day the Minister of National Defence for Naval Services (Mr. Macdonald) announced that wooden ships were being built and that a very extensive programme had been undertaken in that regard.

Our attitude is this. We as an opposition believe that we have two duties to perform. One is to make suggestions to the government with a view to the creation of public opinion and to spurring on the government to action along various lines. Proud as the minister is of the record that has been achieved by his department, there is room for a good deal of improvement. He speaks of the fact that aeroplane factories have been expanded some two hundred times their previous extent. I suggest to him that something should be done to prevent hold-ups in aeroplane factories in this country to-day, hold-ups such as were referred to yesterday by the member for Davenport (Mr. MacNicol), who contended that there were delays of three months or more in one factory in the production of Hurricanes. Surely we have arrived at a point when delays like that should not be tolerated unless they are due to the fact that there is a shortage of steel and materials; and if there is a shortage of steel, is it not time to stop unnecessary building for civilian purposes in Canada?

Recently I asked a question in this house as to how much construction had been gone ahead with since construction control had been adopted. On February 23 I asked this question:

How many licences have been granted for the erection of buildings other than those required for war industry since construction control has been adopted?

The answer was that there were 3,150 licences.

Records covering do not differentiate between war and non-war industries. A clear line of demarcation is not possible.

Then I asked:

What is the total amount in value of the steel that went into such buildings?

The answer is that the information is not available. Why the necessity for a permit unless it is to control the expenditure of building materials so that they will not be used unfairly and unnecessarily to the detriment of our war effort? Did the minister give a reasonable answer, an entirely frank answer, when he said he had no such information? If there is one thing we on this side of the house intend to demand it is this: Circumscribed only by the necessities and exigencies of war, when we ask a question we have a right to a fair and honest answer to that question. Let me tell you this—

The CHAIRMAN: Order. It is not permissible under the rules of the house to suggest, by implication or otherwise, that any statement by a minister of the crown or any member of the house is lacking in honesty or frankness.

Mr. DIEFENBAKER: Mr. Chairman, I bow to your ruling; I say, an incomplete answer. Some time ago, for some reason or another, it became necessary for the Minister of Munitions and Supply to appoint a man to increase morale in aeroplane production.

Mr. HOWE: I appointed no such man.

Mr. DIEFENBAKER: All right. The minister has certainly not arrived at the point where appointments made under his department are not made by him, he accepting responsibility before parliament. Surely the minister does not suggest that when an appointment is made in his department and the public money of Canada is being expended in connection with that appointment, he did not make it. On May 6, 1942, I asked certain questions in regard to Mr. E. G. Hirst of Toronto, and I would call the attention of the committee to the answers given. To say the very best for these answers, they were entirely incomplete. Here are the questions:

1. Has E. G. Hirst of Toronto been appointed to organize and conduct a morale building campaign in aircraft and allied industries?

The answer is:

Yes, in the aircraft industry.

The minister being in charge of that department, I presume he accepts responsibility for the appointment.

2. If so, when was he appointed?

The answer is:

December 20, 1941.

The next question is:

3. By whom was he appointed?

The answer is:

Director-General, Aircraft Production Branch, Department of Munitions and Supply.

An official, one of the controllers referred to this afternoon by the minister.

4. In what business was he previously engaged?

The answer is:

Might Directories Limited.

He is still vice-president of Might Directories Limited.

Then the next question:

6. What salary, honorarium, allowance or other remuneration, is paid to him by the government?

The answer is:

None.

That is very definite; no allowance, no honorarium, no payment is made to this man. Then the next question, so that there would be no doubt about it, was:

7. If no remuneration is paid to him by the government, by what means is he being compensated for his services?

The answer is categorical and clear:

He is receiving no compensation for his services.

Nothing could be more definite than that. Hon. members who ask questions have a right to an answer which is more complete than that, when the facts definitely establish that he was being paid, and not so indirectly either. The unequivocal answer of the Minister of Munitions and Supply was "He is receiving no compensation for his services" —no salary, honorarium, allowance or other remuneration.

Then, because that did not seem to fit the facts that were known, production of certain documents was asked, and the production was made to this house yesterday. The motion that was passed reads:

For a copy of all letters, memoranda, or other documents addressed by the director-general of aircraft production, or any official of the aircraft production branch, and directed to any official of an aircraft industry or company engaged in whole or in part in the production of aircraft or parts thereof, with reference to the appointment of E. G. Hirst of Toronto . . . .

Then the next material part is:

. . . and in particular with reference to the manner in which his out-of-pocket expenses for travelling, organizing and office assistance are to be paid.

That was perfectly clear. It required production of the letters. I shall now read the letter signed by the director-general of aircraft production which was sent to a large number of aircraft companies, I would say some twenty in number:

December 20, 1941.

Mr. E. G. Hirst of Toronto has just undertaken the responsibility of organizing and conducting a morale-building campaign in the aircraft and allied industries through the year 1942, and I bespeak your whole-hearted cooperation for him in making this campaign an outstanding success.

Mr. Hirst will act as chairman of a dominion-wide committee and will probably associate local committees in each community where work of this character is to be carried out.

It is estimated that the work will involve Mr. Hirst being absent from his own business at least three-quarters of his time, and his volume is therefore bound to suffer.

I have pointed out that his position is vice-president of Might Directories of Toronto.

If you can, therefore, place with Mr. Hirst your printing account for the year, it should go a long way toward maintaining sufficient volume in his own business, so that he will not have to worry, and I would appreciate your sympathetic and generous consideration of his interest in this connection, it being understood, of course, that any business so placed with him will be on a strictly competitive basis.

I ask you, what business has a department of government to call upon private manufacturers to give their printing to a private individual, whether on a competitive basis or otherwise?

But that is not all.

In order to cover his out-of-pocket expenses for travelling, organizing and such office assistance as is required I have put your firm down for the amount noted at the foot of this letter.

Some got put down for $500, many others for $250. There are eight put down for $500 and the rest to make up $9,000 at $250 each.

Will you please send your cheque for this amount to Mr. P. C. Garratt, Managing Director, de Havilland Aircraft of Canada, Ltd., Postal Station L, Toronto. Mr. Garratt has kindly consented to act as honorary treasurer of the dominion committee. All Mr. Hirst's bills will be paid on behalf of the industry only through Mr. Garratt.

Authorizing a private individual to go out in order to build up morale for which services he is to be paid by donations from the different aircraft manufacturers, and in addition to which he is to get their printing "upon a competitive basis," is bad enough. But the next paragraph is the one to which I raise the most strenuous objection, and which in my opinion shows whether or not the answer given in this house on May 6 was in fact correct:

This sum is, by arrangement with treasury, chargeable to overhead in connection with your aircraft contracts.

The companies were to pay out $500 or $250, as the case may be, and they were to give their printing to him "on a competitive basis"; but they are not to be out anything on the contributions made; the people of Canada are going to pay it. And these men were to conceal payments under "overhead."

Why the necessity to cover it up? Why not appoint Mr. Hirst in charge of this very commendable work as director of morale and put him on a salary? But no; it is not done in that way. The aeroplane companies are

told to pad up or add up the amount in their overhead and to charge it to the treasury of Canada.

The letter goes on:

Most of you will realize that the work which Mr. Hirst is now taking over has, in the past, necessitated a considerable portion of my time which should be devoted to other matters. I am sure that with someone now able to give practically full time to this work, this important phase of personnel relations will receive an impetus that will be felt throughout the entire industry, and I know that I can count on you to give Mr. Hirst every possible help and assistance.

Let each of us individually and all of us collectively determine that 1942 is going to produce results in the aircraft field that will literally amaze this country.

Cordially yours,

Ralph P. Bell,
Director-General of Aircraft Production.

There is a letter from "Phil"; it does not say who he is, but evidently the managing director of the de Havilland Aircraft of Canada Limited. It is dated January 3, 1942, addressed to Mr. Bell. He says:

In connection with the Morale-Building Campaign and the activities of Mr. E. G. Hirst, I would like a little bit clearer outline of the activities, if that is at all possible, just in order that as far as I am concerned I will not be deviating from your policy.

One question I have been asked so far is who the officers might be, if I am the honorary treasurer.

Up to the present time about $4,000 have tumbled into the coffers and Mr. Hirst has engaged an office at $40 a month, is procuring furniture, and I have advanced him $150 on account of expenses. I presume this is all in order and that I am just to comply with whatever requests Mr. Hirst makes.

Then there is a letter to Mr. Garratt directing him:

You will pay out to Mr. E. G. Hirst money on his requisitions.

Why was this house and this committee not given the information when it asked for it on May 6? Why was it necessary to conceal from the people the fact that Mr. Hirst's $9,000 expense account was coming out of the treasury of Canada? I should like the minister to explain this. I can understand, as the hon. member for Dufferin-Simcoe said, that in the interests of the war effort it may be necessary to depart from some of the ordinary democratic principles. It is necessary to set up controllers; but I do insist that whoever is set up as a controller shall remain responsible to parliament. I do insist that no controller whose salary is concealed in the overhead expenses of those producing aircraft or other products shall draw money from the coffers of the people of Canada. I am going to ask the minister.

[Mr. Diefenbaker.]

when he explains the circumstances in connection with this matter, whether it is or is not a fact that there are others in the position of Mr. Hirst. The reason why I ask that question is this. If the opposition had accepted the answers that were given on May 6, no one in this house or in this country ever would have known that Mr. Hirst was drawing $9,000 as expenses. It all would have been concealed. The only thing known about him would have been that he was a man who was giving his services to the high purpose of increasing and extending aircraft production in Canada. I think parliament has a right to be assured that steps such as this, which constitute an advance toward a hidden bureaucracy, no longer will be tolerated; and I ask the minister to give the assurance that answers such as were given on May 6, 1942, no longer will be permitted, for in my opinion answers such as those fail to reveal the true circumstances and are an affront to parliament itself. If we cannot ask for information, without the necessity of having everything at hand to check up and see whether it is correct, as an opposition we only play act; we can only go on fishing expeditions, depending on the government to give us answers that are correct. Carry on that sort of thing very long, Mr. Chairman, and we will need a morale minister in this government to convince the people of Canada that all answers being given are in accordance with the facts.

I ask why it was necessary to go beyond the ranks of the civil service, to hunt up a man whose qualifications were that the published a directory, in order to build up morale in Canada? We have a Department of National War Services under which we have all the various branches dealing with public information, radio and all those other organizations that furnish information, whose purpose is to instil and maintain morale among our people. Why was it necessary to go outside a department of government to secure the services of a man whose qualifications, according to the record, do not appear to be such as would contribute much to morale in the aircraft industry? Why was it necessary for a department of government to answer that this man was not receiving any salary, that he was receiving no emolument or consideration whatsoever? I ask the minister to give this house and the country a frank explanation in regard to this most unusual case.

Mr. HOWE: Well, Mr. Chairman, my hon. friend has given the committee quite a display of histrionics over a rather simple matter. I was told some time ago about this matter. I may say I discovered the letter

about which my hon. friend speaks about the time it was handed to him. I heard that it was handed to him, or rather that it was handed not to him but to a member of his party, and I know by whom it was handed. It was given to me at the same time.

Mr. DIEFENBAKER: I rise to a point of order.

Some hon. MEMBERS: Sit down.

The CHAIRMAN: What is the point of order?

Mr. DIEFENBAKER: My point of order is that the letter was never handed to me, and I demand a withdrawal of that statement.

The CHAIRMAN: There is no point of order in that.

Mr. HOWE: I said it was handed to a member of the hon. gentleman's party, and the leader of that party told me two hours ago that he had it, confirming information which I received some time ago. So on a point of order I would ask that my hon. friend keep his seat until I finish this explanation.

The CHAIRMAN: There is no point of order. It is a statement of fact, which cannot be denied.

Mr. HANSON (York-Sunbury): I think the minister has it right, now.

Mr. HOWE: I think so. To continue, Mr. Chairman, I heard about this letter some time ago. Naturally my reaction was somewhat similar to that of the hon. member for Lake Centre. It is one of those things that occur, and after it is discovered you only do what you can about it. I made very sure that no insurance was placed as suggested in the letter, and I also made sure that the payments would not become an element of overhead cost on the part of any of the subscribers.

Mr. DIEFENBAKER: When was that, may I ask?

Mr. HOWE: That was some two months ago, as I remember it, or perhaps a month ago.

Mr. DIEFENBAKER: Before May 6?

Mr. HOWE: I think so. I can check that. Is the letter dated May 6?

Mr. DIEFENBAKER: No; the answer to parliament is dated May 6.

Mr. HOWE: Of course the question that was asked was a trick question; the answer was known. This man is not on the payroll of my department. The answer states that he is employed by the industry, which is a fact. He is not employed by the department; he does not appear in the records of the department.

Mr. BROOKS: Just paid by it.

Mr. HOWE: Just a moment; I would appreciate it if I could make my statement.

The CHAIRMAN: Order.

Mr. HOWE: The situation is that the letter was written some time ago. I heard of it two or three months after the letter was written. As I say, I took such steps as I could to set the matter straight. The question that was asked was handled by the department in the ordinary way. An officer of our department is assigned to the duty of furnishing information in reply to these questions. He obtains his information from the records of the department. The name of the gentleman in question, Mr. Hirst, does not appear in the records of the department; but I suppose my officer dug around and found that this man was employed by the industry, so he gave the answer accordingly. I hand in these answers, naturally assuming them to be correct; I do not personally go through the records of the department. The answer is correct, according to the information in the records of the department. The explanation I received from the director of aircraft production, when the letter was produced, was that the industry had decided that work of the kind for which Mr. Hirst was employed was necessary.

Mr. HANSON (York-Sunbury): Why was it necessary?

Mr. HOWE: I do not know that it is necessary. I may say that if I had been asked to make this as an official appointment, I would not have made it. I do not believe in this kind of propaganda in an industry. However, it was represented to me that the industry decided this was a desirable thing to do. I was told that certain members of the industry—I do not say that all were represented—agreed to contribute to the expenses of this man. Had the payment been sponsored by anyone but the director-general of aircraft production I would have found very little to criticize about it, but obviously the director-general of aircraft production should not have had any part in the payment of a man to be employed at the expense of the industry.

I am quite willing to say that the letter was a wholly improper letter. As I say, I considered it as such and I did what I could to correct the situation. I am bound to say that my department is not made up of experienced civil servants; it is made up of men from industry, men who have a different point of view from that of men with experience in the public service. I could have

done two things. I could have dismissed my director-general of aircraft production because I thought he had done an improper act or, on the other hand—

Mr. HANSON (York-Sunbury): Nobody has suggested that.

Mr. HOWE: What else could I do except what I did? I had to weigh the fact that he came in full of enthusiasm, took an industry that was moribund at the time and built it up into a most excellent industry to-day. It has expanded by forty times. But his methods are not always the methods that I would have used. I am more methodical generally than my director-general of aircraft production; nevertheless I do not know that I could have made as good a job of that industry had I taken it over at the time he did. We have the facts. There is no use in trying to explain the inexplicable or to excuse the inexcusable. That letter was a most improper letter; nevertheless it was written, and written without my knowledge. As I say, I learned about it some two months later, and I did what I could to straighten out the situation. Money had been collected, and the man was at work and apparently doing a very good job. He was working with the industry and at the expense of the industry. I see nothing to get hysterical about. These things happen, I suppose. This is a most unpleasant incident, and if my hon. friend has any suggestions as to what I should do about it at this stage, I shall be very glad to take them into consideration.

Mr. DIEFENBAKER: Now that the minister has made his explanation, the answer that was given on May 6 does become inexplicable. The question asked then was, "If no remuneration is paid to him by the government, by what means is he being compensated for his services?" The answer was, "He is receiving no compensation for his services".

Mr. KINLEY: From the government.

Mr. DIEFENBAKER: Yes, from the government, when all the charges that were made were ultimately paid by the people of Canada by an addition to overhead in the contracts?

Mr. HANSON (York-Sunbury): They are deductible from overhead.

Mr. HOWE: No; they are not. They were at the start, but they are not now.

Mr. DIEFENBAKER: I just want to ask the minister one question. If he stopped this thing, where are the letters putting an end to it? The last letter is dated January 15, at which time $4,000 had tumbled into the coffers. What has happened to that $4,000? Has it been returned to the aircraft companies? In whose possession is it to-day? Possibly the minister will be able to explain what does not appear in the record.

Mr. HOWE: I explained that I stopped any possibility of any advertising being diverted, and I also stopped any deductions being made, or any charges being made against overhead on this account. As I said, the money had been paid in part, and it had been expended on this campaign which is still going on and which is still going to expand. As far as the answer from the department is concerned, I have told how it happened. I said that my hon. friend asked a trick question and his trick worked. He got the answer he expected.

Mr. HANSON (York-Sunbury): I do not think the question was a trick question.

Mr. HOWE: He had the letter in his hand.

Mr. HANSON (York-Sunbury): And I do not think the answer was a very candid answer. The whole thing is a most regrettable incident.

Mr. HOWE: Quite.

An hon. MEMBER: The minister said that.

Mr. HANSON (York-Sunbury): Will the hon. member hold himself in patience? The minister asked for certain suggestions, and I rose to give them to him. It is a most regrettable incident. It was a matter of indiscretion on the part of a gentleman whose friendship I have held for many years and who has done, in my view, a most wonderful work in connection with aircraft production in Canada. Let that be said. However, his methods in respect of expenditures are not just according to Hoyle. Perhaps without being concerned, or, shall I say, without realizing the implications of the statement that subscriptions made to the fund could be recouped by deductions from overhead, he endeavoured to raise this money. While the government was not paying anything directly, it was paying the full $9,000 indirectly.

This letter came to us from one of the manufacturers who paid because he felt he dare not refuse, and on its receipt the first question I asked myself was: why was it necessary to build up morale in the aircraft industry in Canada? The minister has not yet elucidated that point. I do not know what the necessity was. Was there strife in the industry? Was not there full cooperation on the part of the

men in the industry? My impression is that the men in this industry are among the best paid in Canada. I have sent many boys from my community in New Brunswick to Montreal to engage in this industry. Universally they have been successful, and many of them are making very high wages to-day. What was the necessity for building up morale? The minister says that there was not any necessity, and he ought to know. My first suggestion to the minister is that Mr. Hirst should go back and attend to his knitting, which is the building up of a directory in the city of Toronto.

I approve the minister's action entirely in seeing to it that not one dollar of this money shall be paid out of the national treasury by an indirect method. I give my unqualified approval to that. The next suggestion I make is that this money or that part of it which has not been spent be returned to the industry. Then I think the chapter can be closed.

In view of the answers that were given to questions asked earlier this month, I really was surprised to see that we got the correspondence as we did. But the correspondence was brought down, and it was a proper return to make to the motion. One thought that naturally arises in one's mind is this: In connection with government industry or industry engaged on large government contracts, is this the first or isolated case in which this practice has been pursued? I do not know. If it is not, I should like the minister to give an undertaking that this sort of thing will stop and stop immediately. If it is necessary to do a job in industry in order to build up morale, if it is necessary to do any kind of job in industry, there is ample opportunity to appoint men to do that and to pay them an honest wage. I would not object at all if it were established that a morale building campaign were necessary in the aircraft industry. Then an appointment should be made of a proper man under the proper circumstances, and he should be paid a salary and expenses out of the public treasury. I would assume that those who appointed him, those who understood the necessity for the appointment, those who understood the necessity for the operation, would believe that it was in the public interest to do so. That is the open, candid way to do this sort of thing. I must say that I am as regretful as the minister that anything like this occurred.

I should like to have the minister's assurance that, as far as he can prevent it, nothing of this kind will ever occur again, and that if it has occurred in connection with other persons who have contractual rights with the government, the practice will be stopped immediately. Every hon. member within sound of my voice knows this, that men engaged in operations for the government, when a request of this kind or something similar in scope comes to them, are afraid to say no for fear it will injure their business. There are manufacturers who are afraid to come to my office to see me for fear that even a social visit may be misconstrued. That ought not to be.

Mr. McCANN: Tell them it is not so.

Mr. HANSON (York-Sunbury): I try to tell them so, but they say: "I wish you well but I cannot come because I am engaged on a government contract." I do not say that there is any system of espionage or any system set up whereby these men would become marked men. But human nature is human nature.

An hon. MEMBER: You are too guarded.

Mr. HANSON (York-Sunbury): Maybe I am, and other people may not be so guarded. But it is true that people are afraid to give me information on this very matter. I do not regard this as a major instance, but I do regard it as a very regrettable instance, and I am glad to have the minister's assurance that it will never occur again. But I ask him to go further than he has suggested and to see that this money is returned. It ought all to be returned, and Mr. Hirst, if he is not required, should be sent back to his own business. Furthermore, no scheme of this kind should be permitted to be carried on by any official of the government. I am sure that no civil servant would do it, and no experienced agent of the government and in its employ should do it, because I think we are all agreed that it is not the right method to pursue. If the minister will take the proper steps to correct the position, he will hear no more about it from me.

Mr. REID: Mr. Chairman, we listened with a great deal of interest to the statement made by the Minister of Munitions and Supply this afternoon, and I believe that most members were pleased to hear of the great strides which have been made in producing in this country munitions of war. I want at the outset to compliment the minister upon what has been accomplished under him in his department.

May I, however, say to him and the committee, that if there is some uneasiness in the minds of some members of parliament and of many outside this house throughout Canada, it is because in this year of life-and-death struggle a considerable feeling exists that we are not doing all we should and can do. There are many lines of munitions production in which we have perhaps reached,

shall I say, our peak, but there are other lines in which we have not. Some time ago when I asked a question of the minister, on the orders of the day, regarding the building of wooden ships he was extremely curt with me —I say that in all kindliness—and told me that the question of building wooden ships was a closed book. On May 9, the evening *Citizen* of Ottawa contained an article which, I believe, sets out the viewpoint of many of us regarding the building of ships of all kinds. It is by A. C. Cummings and comes from London. Here is the viewpoint of the people of Great Britain regarding Canada's shipbuilding programme:

London—Expansion of Canada's shipbuilding programme to 172 vessels with a three-shift working day on the Pacific coast is welcomed in Great Britain, for no need is greater among the united nations this spring than that of ships—more and yet more ships.

Shipping is the key to the whole allied strategy just now. Given plenty of ships Japan could be checked in the Pacific within a few months. Ships carry fighter aircraft and if there were enough of these in the far eastern war zone the enemy could not hope to invade either India or Australia.

Ships carry troops and tanks, too—and these are wanted all over the globe.

It takes five tons of shipping to convey a British soldier and his mechanized equipment overseas. Some units have to travel thirteen thousand miles—six months out and back for a convoy.

Unfortunately, Britain began the war short of ships, for in 1935 seven million tons—more than the Japanese have had for their huge conquests in the Pacific—were considered "redundant", that is, could not earn freights and so were sold, broken up or otherwise disposed of. At the same time, British shipyards were "rationalized", which meant, in plain language, that they were dismantled and shut down. To-day, because of this and because the United Kingdom has to concentrate on new warships, Britain's output of cargo-carriers is only about one million tons.

True, the United States shipbuilding programme is immense and a year hence will be of enormous aid to the allies.

But the urgent need of the moment is ships now—this spring—and although construction in the British empire and the United States combined is already roughly equivalent to sinkings in the Battle of the Atlantic and in the Pacific, what is wanted is to double the present output.

"At this time we could do with literally millions more tons of ships", a high authority told me. "Every ton that comes from a Canadian shipyard this year is worth more than five tons a year hence."

This afternoon the minister placed on record a statement regarding the building of steel ships in Canada and, of course, we are doing a splendid job in the building of these vessels. I may be wrong, but I am of the belief that because of the great shipbuilding programme of the United States and, shall I say, with the limited output of steel, it will not be possible to expand our steel shipbuilding programme much further than what is now being done. I have here a statement made by Admiral Land of the United States, and I just wish that some of our people and officials in this country were imbued with the same spirit. Referring to the United States shipbuilding programme, which contemplates building 2,900 ships in 300 days, Admiral Land was reminded that these ships might not last long. He swore when he was reminded that the ships now being built by the United States might not last five years, and he said, "We will take the goods across to Great Britain if we have to row them over there. I don't care a damn how long the ships last. Our duty is to build the ships so that Great Britain may be supplied with all the goods she requires."

We have on both our coasts, but particularly in British Columbia, many men available for wooden shipbuilding. When I was out on the Pacific coast at Easter I paid a visit to many manufacturing plants, and I found queues of men waiting to put down their names for work. True, most of the artisans have been picked up and are at work in machine-shops and in our steel shipyards; but when I think that during the last war in British Columbia we had twenty-seven shipyards operating, four of them building steel ships as well as wooden ships on the Fraser river, and to-day we have only a total of seventeen operating, I just wonder whether we are doing all we can to build ships with which to carry our products to the beleaguered people of Great Britain. While I am not going to make a definite charge against the officials of the minister's department, I am going to lay a serious complaint against what has happened, and I am going to give one instance of what has kept orders from British Columbia, while orders for wooden ships are being placed in the United States.

Just before I left home at Easter, those connected with the shipbuilding industry of British Columbia, and particularly with the building of wooden ships, asked me if I would meet them in conference, which I did in Vancouver on the day I left. They made the definite statement that some official in Ottawa of the Department of Munitions and Supply had been asked by the British authorities if British Columbia, Canada, could build wooden mine-sweepers, and the official from Great Britain was told by Canadian officials that it could not be done. Later, this British official whilst in New York discussed the matter with United States officials, and was told that wooden mine-sweepers could be built on the United States Pacific coast. What is happening now is this: fifty miles from the border, south

of Vancouver, at the city of Bellingham, wooden mine-sweepers are being built to the order of the British government, and British Columbia is supplying most of the lumber.

Mr. HANSON (York-Sunbury): Is that true?

Mr. REID: That charge was made by six shipbuilders. I asked if I could make that charge, and they said, "Yes, you can make that charge—that a British official came to Ottawa with a view of placing orders for wooden mine-sweepers, and was told that British Columbia could not build wooden mine-sweepers, and to-day there are seventy wooden mine-sweepers being built in the United States, mainly on the Pacific coast, and we are supplying most of the lumber for the building of those ships." I say in all seriousness that if that statement is true—and these men gave it to me on good authority, because they had spent a long time in Ottawa endeavouring to procure orders for British Columbia—it is most serious. I am drawing this to the attention of the minister; but particularly do I want him to view this war in a different aspect and not close his mind against the building of wooden ships. We have men who can build ships in plenty. Hundreds of men are idle in British Columbia who could go into these wooden shipyards and help to construct these vessels. We have lumber in abundance. With a statement such as I have given, and in the light of the crying need for ships of every kind, we need not tell the people of British Columbia or the people of the country in general that we are doing everything we can to help Great Britain and help our allies, in this war.

Mr. HOWE: There seems to be some confusion when we talk about wooden ships. We are building wooden ships; we have been building them since the first day of the war. What we were discussing a year ago was wooden cargo ships, which is a particular class of ship. We have not built wooden cargo ships. The difference between a wooden cargo ship and a steel cargo ship is largely in the material which makes the hull. There is very little difference in the material which goes into the boilers, the engines, the steering gear and various other fittings. The question is, is it good business to build steel hulls or wooden hulls? That is the question in regard to the cargo boats. All our experts tell me that there is more value in the steel hull. I have said that if we could augment the work in any way and if we could find a user for wooden cargo ships, we would be pleased to make them. I have made that offer quite freely. I asked the private trade, if they wanted to enter into a lease-operating arrangement for wooden ships, to let us know, and I received no offers; I have had no interest from any ship user in wooden ships. Obviously, my department builds for someone, and we can hardly build wooden ships unless we can find someone who wants those ships.

Wooden mine-sweepers, wooden Fairmile boats and wooden tugs are quite a different matter. We build them. We have been building them. No officer of mine could possibly have told my hon. friend that these could not be built on the Pacific coast because we have been building them for a long time. My officers are quite familiar with what can be done, and so are the British. British shipbuilding experts go every month to British Columbia. An admiralty mission has been resident in Canada for a year and a half; they know Canada as well as I do. I suggest to my hon. friend that he should not make a statement like the one he has made unless he can give me the name of the officer and afford me a chance to trace it down. If he will do that, that is all right. But if it is simply a sweeping statement that some officer said so-and-so, I would say that that could not possibly be so, because my officers are familiar with both coasts and have arranged for a great deal of shipbuilding to be done on both coasts.

Mr. REID: I have been in this house since 1930, and I have never made a statement which I could not back up. The minister asks for the name. Would the committee grant me this courtesy, that I supply the name in confidence to the minister rather than put it on *Hansard*?

Mr. HOWE: No; put it on *Hansard*.

Mr. REID: I know how difficult it is for the official, how unfair it is just to blame the official and place the name on *Hansard*. But I have it with me.

Mr. MacNICOL: Give it to the minister.

Mr. REID: It is strange that we are only now beginning to think of building mine-sweepers in British Columbia, seeing that orders for seventy for the British admiralty have been placed in the United States for some considerable time. Can the minister tell us if the statement appearing in the press is correct that they are going to build thirty-five mine-sweepers in British Columbia? We can get no confirmation, and it is a very important matter.

Mr. HOWE: I cannot say at the moment, but I should be glad to make inquiries.

Mr. ROSS (Souris): I listened this afternoon with some degree of pride as the minister told us of the efforts which have been put forward by his department on behalf of Canada and of the other allied countries of the world. But I have one matter in mind which I think should not be lost sight of. We are to a large degree losing responsible government in this dominion. In my opinion, responsible government by the elected representatives of the people has been largely superseded and control handed over to the dollar-a-year men who are big business men in this country. The other day I read a return from which it appears that there are 272 dollar-a-year men now handling the affairs of Canada. Many of them have very considerable interests of their own, and the tendency of such appointments is to establish in this country a bureaucracy, which has many dangerous aspects.

I rose, however, to ask a question or two pertaining to gasoline. The minister said that in the matter of gasoline the prairie provinces were more or less self-sufficient. In that respect, in the part of the country in which I live, one of the most prominent oil companies in Canada is running a very large fleet of trucks from Moose Jaw through southern Saskatchewan and southern Manitoba, delivering its products to distributing stations in that manner and paralleling the railroads. At a time like this, to say the least, this is a very bad example to other people who are asked to save gasoline and tires. I believe there are tank cars available on the railways, but this great fleet of trucks comes down the highways every day delivering their product on that basis. I trust the minister will be able to explain that.

Then there is the matter of the sale of gasoline from seven in the morning to seven in the evening. I do not know whether he realizes what that means to the agriculturists of the prairie provinces at this time of year and from now till the snow flies next fall, but in any centre in the prairie provinces, most of these people usually do their trading on Saturday evenings. That is the time when they go to town to do their shopping and buy their gasoline. I have not any idea what number of man-power hours would be saved to agriculture in the western provinces if they were allowed to purchase their gasoline until nine or ten o'clock on Saturday evening, but certainly it would be a good deal. I have received many resolutions from cooperatives asking that the hours of sale be extended for their benefit, at least on Saturday evenings. As I say, throughout the entire prairie provinces agriculturists have to quit their work early in the day in order to reach their trading centres to procure gasoline before seven o'clock. It would be a great saving and immensely help our war effort if on Saturday evenings the hours of sale could be extended until nine or ten o'clock. I am sure that by this time the minister must have some information on the matter, if he would care to give it now.

Mr. HOWE: I shall be glad to call my hon. friend's remarks to the attention of the oil controller.

Mr. POTTIER: I want to make a few remarks with regard to wooden mine-sweepers. Either there is some misunderstanding or some difficulty must have been found in British Columbia which has not been experienced on the Atlantic coast. We have on the Atlantic coast building for the British admiralty, I believe, some thirty mine-sweepers. A number are being constructed in two yards in my constituency.

Mr. REID: I am told that British Columbia is supplying lumber for these.

Mr. POTTIER: I do know about supplying the lumber. The lumber that goes into these mine-sweepers is coming in large measure from the districts in which the mine-sweepers are being built.

Mr. HOWE: The hon. member for New Westminster (Mr. Reid) referred to the great many men unemployed in British Columbia. I should like to get to the bottom of that. I receive alarming reports of the shortage of operators in the aeroplane spruce industry. I suppose there is no more vital industry in connection with aeroplane production in this country than the aeroplane spruce industry. I am told that only 40 per cent of the required cutters in that industry can be engaged in British Columbia. The production of copper in British Columbia dropped very sharply in the last two months and is still dropping, again through the shortage of men in the mines of the province. I receive complaints from various industries in British Columbia that the cut will be short this year because of a shortage of workers. Let us not talk glibly about the great unemployment in British Columbia.

Mr. REID: The minister need not try to be discourteous to me by saying that I am talking glibly. There has been a shift of labour in British Columbia. I know that, when I left, there were in one yard seventy-five men who were idle. I visited the Boeing aeroplane plant, and I could hardly get near

the desk, because such a great number of men and women were endeavouring to register. I visited three plants, and some told me that they had as many as 250 men on the list. There are vacancies in the woods. Many of these men have been coming to the shipyards, but that does not dispose of the statement I made, and it was not a glib statement.

Mr. MacINNIS: I wish to return to the question raised by the member for Lake Centre (Mr. Diefenbaker). There was one point in Mr. Bell's letter that was quite disturbing to me. I quite appreciate what the minister said about the condition in his department. I have been complaining about it for the last two years. These business men who are manning his department have been running their own business as they jolly well pleased for years and there was no one to say them nay. They expect now to do the same thing with the government's business. Their attitude has been a constant bone of contention since the war began, and I have not been able to get any satisfaction when I have complained of it. In Mr. Bell's letter I find this sentence:

> This sum is, by arrangement with treasury, chargeable to overhead in connection with your aircraft contracts.

I was on the war expenditures committee last year. I was on committee No. 1 that went into the matter of treasury control, and we were given to understand that everything was so iron-clad that one could not get a nickel past the treasury. The members of the treasury department are there for the purpose of protecting the interests of the people of Canada as represented by the crown, and, unless they consulted with the minister—and even if they had consulted with him—were not looking after their business in the proper way, when they would allow an arrangement of this kind to be made. It seems to me that this is a most serious charge against the officials of the treasury. They certainly failed in their duty when they allowed an item of this kind to be covered up in overhead. They are being paid to see that such a thing does not happen, and no controller or anyone else should be able to tell any industry that he has made an arrangement with the treasury department that you can hide this or that amount in your costs. We should have fuller explanation of this than we have had.

Mr. HOWE: I am not the minister in charge of treasury.

Mr. CRUICKSHANK: I have tried to look through *Hansard*, but I have not had time. I should like to refer to the remarks made by the minister in connection with spruce. It is to our credit, and it is to the advantage of Canada, that we happen to have a monopoly in Sitka spruce, which is most essential for aeroplane wings, particularly bombers. The third largest logging concern in British Columbia is threatened with a shut-down to-day, and that is something of serious consequence to that province, though it is not half as serious to that province as it is to the dominion and to the war effort as a whole. The reason, as I gather from information that came to hand no later than yesterday, is the fact that the logging concerns, which, I suppose, are expected to produce at a normal profit, just as any other business does, are not able to compete with the shipyards in the right of way for labour. It has been questioned that there is any shortage of labour in that province in view of the fact that there are men who are unemployed. Does the minister expect that a logger will go up to Queen Charlotte islands—and there is no harder work in Canada than logging—when he can get the wages that are being paid in the shipyards on the cost-plus basis? The hon. member for Vancouver East (Mr. MacInnis), I suppose, knows better than I do about these matters, but I do not believe, from my own personal knowledge, the stories that are going around that the shipyard employers are leaning against one another. Work in a shipyard is a far easier form of employment than logging on Queen Charlotte islands.

The hon. member for New Westminster (Mr. Reid) pointed out that we have not had orders for building minesweepers. In 1940 it was pointed out by five different members from British Columbia that we had all the materials; that we had unemployed, skilled and otherwise, in that province, and that we were capable of building these ships. If my memory serves me aright, the idea was poohpoohed that we could build suitable wooden ships in that province. When it is said that because we have unemployment it should not be necessary to shut down logging, to me that does not make sense. Everyone cannot be a logger. I am sure the minister is not aware of the fact that in one riding in British Columbia to-day there are over fifty lathes idle, with all the mechanics to man them. Plant after plant has not been turning a wheel in that province. We have heard about total war effort and a shortage of power, shortage of gas and so on in other parts of Canada. I repeat, in one riding, there are over fifty lathes standing idle, with mechanics to man them and ample power going to waste. I do not think the minister is justified in his statement. The hon. member for New Westminster needs no assistance from me to defend him,

but the minister is not justified in his statement, and I say that speaking for my own riding and I have authority to speak for that riding at any rate until such time as the people there decide to send someone else here. I say unequivocally that in my opinion and in the opinion of my riding there is no total war effort in Canada when hundreds of skilled mechanics are unemployed and their lathes standing idle in British Columbia. That being so, we are not at total war, and nobody can convince me that we are.

Mr. HOWE: I am sorry to disagree with my hon. friend, but I cannot feel terribly upset about a condition of unemployment when our essential industries in British Columbia cannot operate to capacity, and needed capacity to make the war go, because they cannot get men.

Mr. CRUICKSHANK: If the minister would like, I can give him dates and names. I do not like to do this for the simple reason mentioned in other cases; human nature being what it is, it is quite possible that these firms might be discriminated against. But I have the dates when these firms appeared before what is known as the "bits and pieces" department, although as far as British Columbia is concerned that is not the name I would use for it.

Mr. HOWE: All right.

Mr. CRUICKSHANK: I am expressing the opinion of my riding, and I am entitled to do so. That riding is as much concerned in this war effort as any other riding in Canada. It is just as patriotic, as is proved by the voluntary enlistments to date. When I am told that this "bits and pieces" programme means anything I must dispute the minister's interpretation. I have every confidence in the minister and his ability. I am not quarrelling with him. I know he is doing the best job anyone here could do in a difficult position. But it is my duty as a member to point out to the minister, who cannot possibly have a grasp of all the details of his department, that owners of machine shops, wood-working shops and so on in my riding have gone again and again to his representative in the marine building—I do not know who owns the marine building, but it has its fair share of these notorious and useless dollar-a-year men in it—time after time and have been told to fill out a form, everything from the colour of their eyes to the date their grandmother was born. And nothing happens. Yet all these lathes are standing idle; all these mechanics not doing a tap to help Canada's war effort, and power going to waste. If I am given a guarantee that they will not be discriminated against, I can give the names of people who have told me that two or three primary contractors in British Columbia have said, "We fought day and night, month in and month out, to get these contracts; do you think we are going to share them with you people?" The only factory at work in that entire riding, a riding with over fifty lathes standing idle, is employing three men in putting out a little brass angle. When I hear that, just because the logging camps cannot get sufficient help, because ship yards can and do pay higher wages, we have not the unemployed that we are supposed to have, I say that I cannot, and do not intend to go back to my riding and say that we have a total war effort, that we are doing our utmost to defeat Hitler, as long as there is a man, skilled or unskilled, idle in British Columbia, as long as there is power not being used that should be used, as long as there is a lathe not turning that should be turning, no matter what anyone in the minister's department says. I am firmly of opinion that it is time the minister changed his advisers in British Columbia, particularly in regard to the "bits and pieces" programme, and put in a few practical men, and I suggest that among these practical men should be a representative of labour and a representative of agriculture.

Mr. MacINNIS: This question of labour power is, in my opinion, going to become a difficult one before very long. This does not mean that there are not many people unemployed at present. I believe the latest figures available from the unemployment insurance commission, those for April I think, show some 35,000 to 36,000, of whom some 8,000 are women. It is not stated how many of these were employables and how many unemployables; but since these figures come from the unemployment insurance branch, I take it that only a very small number would be unemployables. There are other unemployed not in industries covered by the unemployment insurance branch. I believe the number is estimated as something over 100,000. As I said, there are no definite figures as to the number of unemployed; we are still in the same mess we have been in since 1931. It is quite possible, probably correct, that the Sitka spruce industry has difficulty in keeping their employees. That is a situation not altogether due to the better wages paid in the shipyards and other industries, although that may be a factor. If the Minister of Labour were present, he could substantiate the statement that I took up with him on, I think, the very first day he came into the house, the refusal of the employers in the logging industry on Queen Charlotte islands, where the spruce is cut, to deal or cooperate with their organized employees in any way.

The last letter I had from these employees complained that the dining-room was closed to them because they were half an hour late through attending a union meeting. Men will not stay in an industry operated on that basis when there is employment offering in other places.

I do not know whether any hon. members have ever been in the Queen Charlotte islands in the summer. It is not a nice place to work. The ground is soggy, wet; the men are walking around on wet ground all the time; there are mosquitoes and black flies, and many other things to make life miserable even if the employers did not help to make it still more miserable. It is no wonder the men leave there to work in the shipyards where they have some say as to the conditions under which they work. If this government wants to get men in the various industries and do it without having to adopt the methods of Hitler, they must do it through cooperation between employers and employees. There is no other way of doing it except the way our enemies are doing it. If we have to resort to that sort of thing we might as well stop the war, because we shall have reached the stage where our enemies were before we went into the war. I believe the director of national services, who has recently been appointed, has some good ideas in this direction; I hope he will be given an opportunity to try them out.

Mr. McGARRY: When I hear individual members of this committee advocating things that are regional, things absolutely of advantage to their own political security, it amazes me to think that at other times they may say that we are now undertaking a unified effort in Canada. When I hear individual members rise on behalf of local aggrandizement and undertake to carry on a campaign of belittlement against our Minister of Munitions and Supply, who is recognized to-day as the most proficient man in that capacity in perhaps the entire commonwealth, I do not see where our effort is so unified as some of these hon. members profess it to be. I come from a constituency in which there is not one war project. I am not protesting against that. I believe the men who are at the head of affairs, in laying out these projects, take heed of the economic and strategic factors entering into them as far as our war effort is concerned, and I am perfectly satisfied. I may not be able to judge for myself, but from what I gather, not only in Canada but abroad, our Minister of Munitions and Supply is doing a wonderful job, and I am not particularly concerned over any local grievance, or because I cannot do something for my constituency which possibly would mean my return to parliament. I am concerned with this war effort, and I do not like to sit around and listen, and pretend to be an appreciative audience when individual members rise in their places and carry on a campaign of belittlement because certain things have not been done in their constituencies, out of the multiplicity of things that have to be done in our war effort, none of which has been done in my constituency.

Mr. REID: I rise to a question of privilege. I am not sure whether the last speaker intended his remarks to apply to the speech I made here this evening, but I am one of those who mentioned local matters, and I am asking the hon. member to withdraw that statement if it referred to myself. Certainly I said something about a local matter, but it was constructive. I have taken the attitude, Mr. Chairman, that we need ships now and more ships. I endeavoured to point out to the minister that the production of steel has reached a point beyond which perhaps it could not be very much expanded. I pointed out that Great Britain requires ships, if she requires anything, and I urged that wooden ships be built in British Columbia. I ask the hon. member to withdraw his statement if it applies to me, because it is untrue as far as anything political in my remarks is concerned.

Mr. McGARRY: My statement was general.

Mr. CRUICKSHANK: I must ask for a withdrawal, too, as far as I am concerned, and it is not enough to say that the statement was general: If the maritimes are satisfied, we from British Columbia are not, as to Canada's war effort, as has been said before by some members from British Columbia. We are not talking for our own ridings. I have not a shipyard or anything at all in my riding, not even lobsters; I have only people who are interested in Canada's war effort, and so I ask for a withdrawal as far as my riding and myself are concerned.

The CHAIRMAN: I think by this time the point is quite clear. The hon. gentleman did not address his remarks to any particular member of the House of Commons.

Mr. REID: But it was evident whom he meant.

Mr. CRUICKSHANK: There were only three previous speakers.

The CHAIRMAN: Order. His remarks contained a statement of fact, which has been

challenged, and I think the record speaks for itself. There was nothing in the remarks of the hon. gentleman that was unparliamentary.

Mr. REID: I did not say there was anything unparliamentary in what he said. I said there was an innuendo; and I dispute your suggestion, Mr. Chairman, that it was a statement of fact.

The CHAIRMAN: My ruling is not debatable.

Mr. REID: But you cannot prevent me from saying so.

The CHAIRMAN: Order, please. The incident is closed.

Mr. REID: You just think it is.

The CHAIRMAN: I hope the hon. gentleman does not challenge the authority of the Chair, or desire to be unruly. I would simply say that his remedy is an appeal from the decision of the Chair. My humble person is not involved; it is only my effort to be the servant of the committee in applying the rules. I am sure my hon. friend is an old enough parliamentarian to understand that.

Mr. CRUICKSHANK: I should like to withdraw a statement I made.

The CHAIRMAN: Order, please; the incident is closed.

Mr. CRUICKSHANK: But I want to withdraw a statement.

The CHAIRMAN: Order.

Mr. CRUICKSHANK: On a point of order, I want to withdraw.

The CHAIRMAN: Order; the incident is closed.

Mr. QUELCH: Mr. Chairman, the question of immediate importance, in my opinion, still appears to be how we can most rapidly bring about the expansion of the production of certain war materials, such as ships, aeroplanes and tanks. To me that appears to be of greater importance at the present time than how we can expand our army overseas. I make that statement because in the theatres of war to-day the real shortage is not so much in men as in machines. For instance, in Russia they have tremendous reserves of men, but they are lacking in aeroplanes and tanks. From what we can gather, the loss of Singapore was brought about not so much by any lack of men, because apparently we had superiority in man-power over Japan, but because Japan had overwhelming air superiority. According to the statement of the editor of the Sydney *Daily Telegraph,* in Australia to-day there is a corps of first-class, front-line airmen waiting for planes from America. If I were in the front line again I would far rather have a few men, well backed up by tanks and aeroplanes, than a large number of men without that support. So surely the principal question should be how we can most rapidly expand the production of these essential war materials. For that reason I take strong exception to the statement made over the air quite recently by the Minister of Munitions and Supply, when he said:

> It is difficult for me to believe that many situations will arise where it can be shown, to the satisfaction of any board, that a young man cannot be replaced by industry. I appreciate the fact that newer industries, such as aircraft production, depend greatly on young men who have been trained for work in that particular industry, but I cannot support the view that industry is entitled to their services, in preference to the active service forces.

In my opinion to apply such a policy to aircraft production to-day would be criminal folly. Not long ago I was speaking to the manager of a propeller factory in Montreal. He told me that he was having great difficulty in holding his skilled men, who were being called up for service; and he pointed out that as far as propeller factories are concerned, they need a far larger proportion of skilled men than do other industries. During the Easter recess I visited a number of aircraft factories around Montreal. There is no doubt that the production of many of these factories could be greatly expanded at the present time, utilizing only the machinery they now have.

For example, the president of one of the three large plants in Montreal told me that he was very critical of the policy of the government in the past. He explained to me how at first he had been tooled up for an order of five aeroplanes, and then an order for seven planes was placed. He said that he was in the position where he had to hound the government continually for an expansion of business, whereas in his opinion it should have been the other way; the government should have been hounding industry to maintain production at the maximum level. He told me there was no trouble with labour, and he emphasized the fact that if he could have additional floor space he could double his production without any new machinery. He said that labour would be available for that purpose. I was told, on authority that I would not hesitate to accept, that the question of whether or not that floor space should be expanded depends upon whether or not sufficient business could be obtained to warrant the expansion. That is something I find it very hard to understand. A few minutes ago the minister said that we

were producing more than we needed in Canada for our troops. On the other hand, we are supplying planes to Russia and soon will be sending planes to Australia. Surely there is no danger of producing more planes than those people need. I cannot understand why there should be any question of whether or not we should expand the production of any plant for fear there might not be enough business to warrant that expansion.

I understand that, apart from the engines, practically all the parts which go into an aeroplane are being manufactured in Canada, and the minister has assured us that we can get enough engines to install in the planes we build. The production of planes could, no doubt, be expanded by applying the surplus labour still available for that purpose. At every plant I visited I was told that there was no shortage of labour, and I visited about nine plants in Montreal. The first question I asked when I went to a plant was: have you any trouble about labour? I was always told that there was no shortage of labour. They told me that whereas in the past forty or fifty men used to turn up every day looking for work, only ten or twelve turned up to-day. Labour would be available for that purpose. I must admit that I was very much surprised to receive that statement from the plants in view of what was said by the Minister of Munitions and Supply to the effect that our production was rapidly reaching its peak because of a shortage of skilled labour.

Mr. HOWE: My hon. friend has said that he visited a number of plants and was told that there was no shortage of labour. Will he accept a list of plants from me to visit and see what he finds there?

Mr. QUELCH: I visited the three large plants in Montreal: Canadian Car and Foundry, Canadian Propellers, Noorduyn and Fairchild.

Mr. HOWE: They are quite small operations. I suggest that the hon. member visit the aluminum company and the nickel company and see some larger operations.

Mr. QUELCH: I am talking about aeroplane plants in Montreal, not about mines. The manager of one of the main plants there emphasized the fact that he could expand the production of his plant 100 per cent if he were given additional floor space, and he could do this without additional machinery.

The international association of machine workers, lodge No. 712, have an agreement with the three main plants in Montreal. They urged the managers of those plants and Mr. Bell that they should go over to a 168-hour production week, running three 8-hour shifts with a swing shift in order to give the men a one-day holiday a week. In order to be fair to them I should just quote from the brief which they submitted to the managers and Mr. Bell. I quote:

Accelerating the rate of present production schedules of "planes on order" is possible immediately. Our proposal that the industry chart a course to go over to the 168 hours per week production schedule (3 eight-hour production shifts per day and the seven-day working week) points the way to substantial speeding-up of the present schedules of production of "planes on order" and is also necessary to gear the industry for any contemplated upward revision of aircraft production plans by the government. To-day, we estimate that approximately 7,000 Montreal aircraft workers are engaged on the day-shift, with approximately 3,000 on the so-called night-shift. Our estimation is that Fairchilds is operating on the basis of around one and one-half production shifts per twenty-four hour day. Noorduyns about the same; that Vickers when in full production operates about the same; Federal Aircraft about the same; Aero about the same; and that the Pointe St. Charles plant of Canada Car operates between one and one-half to two production shifts per day, while their Turcot plant operates one eight-hour production shift per day.

Assuming that supply problems can be solved to bring up to assembly points all necessary material, and that cooperatively we can organize the necessary extra workers and personnel and that the plants go over to three eight-hour production shifts per day, a conservative estimate would be that production figures can be increased by at least 100 per cent upon this basis.

And again:

Personnel problems arise out of our proposal above, and it may be assumed that the gearing of our industry to the 168 hour production schedule will call for between 18,000 and 20,000 workers, that is, 8 to 10,000 additional people.

I notice that Mr. Ralph Bell gave a statement to the press in reply to that, reading as follows:

The question of whether or not the aircraft plants in Canada shall or shall not work twenty-four hours per day, seven days a week does not depend on whether or not the men and women operating these plants are prepared to work such schedules, but rather, and entirely on two points:

1. Whether or not it is possible to procure for expanded production schedules adequate quantities of all of the materials and thousands of parts, accessories, et cetera, of which there is already a shortage and without which the manufacture of complete finished aircraft is impossible, and

2. Whether in an industry in which personnel has been expanded forty times in the short space of two and a half years, it is possible to develop sufficient competent superintendents, foremen and lead hands to staff three shifts, as against the two shifts on which the bulk of the Canadian industry is now being operated.

I would point out that they are not really operating two shifts because the night shift is only aproximately half the day shift, in other words they only operate about one and one-half shifts. In so far as the first part of this letter is concerned, as to whether or not we can get materials and parts for these planes, the fact is that these parts are being manufactured in Canada. We have the surplus labour, and surely it would be only a question of applying that surplus labour to the production of these parts to make them available for a larger production of planes.

The manager of Noorduyn was quite emphatic that you could get more efficient work from the men and a greater production from the plant with a five-day week for the men, keeping the plant going the full seven days. These plants are now operating a 10-hour shift and, with so many young girls working in the plants, I can easily understand why there is so much sickness. It is not easy for these young girls to stand up to a 10-hour shift. Surely by having three 8-hour shifts, we could reduce the amount of sickness and the number of absentees which is one of the curses of all industry to-day.

Apparently no steps are being taken at the present time to expand the training of men and women in order to make it possible to go on a three 8-hour shift programme. As was pointed out, that would require an additional 8,000 men. Surely, until that maximum production has been attained, there should be no question of withdrawing trained men from these industries and supplanting them with girls. In regard to the possibility of expanding production, the hon. member for Vancouver East (Mr. MacInnis) referred to a statement in a sessional paper to the effect that 34,000 men and women were unplaced by the unemployment insurance commission. Probably most of these people will be untrained, but in view of the fact that we are approaching a crisis in which it is so essential that we have more planes, more tanks and more ships, we should not hesitate to withdraw skilled labour from the gold mines of this country because they are certainly not essential to our war effort. The United States has classified gold-mining as a non-essential industry, and I think it is high time that we took a similar stand in this country. Would the minister explain why it is not considered sound or feasible to run the various aircraft plants on a 168-hour basis?

Mr. HOWE: As I said before, the aeroplane industry is expanding very, very rapidly. Since the war began, it has been taking on men at an average rate of 2,000 men a month, but there is a limit to how fast men can be taken on and absorbed in an industry. Our objective is a seven-day week and three eight-hour shifts, and we have achieved that in a number of factories, also in two plants in the shipbuilding industry. But it takes a very highly organized and well-equipped plant to operate on that basis. In the first place we must have, not three shifts, but four shifts of supervisory staff to run that sort of operation. That means, of course, a great many more foremen and more supervisory staff.

There is another thing. The aircraft industry, as my hon. friend has seen it, is an assembly plant, and back of the assembly plant there are a great many factories making component parts which have to be first developed to a stage where they will permit the assembly plant to proceed on the kind of intensified three-shifts-a-day basis that he urges. I can tell him of a number of plants which have been organized to the point where they are working on three shifts a day. The Bren gun plant, for instance, has been working seven days a week, and three eight-hour shifts a day, for over a year, and I could name many more, but there you have an integrated industry where everything except the raw materials is made on the premises. It is much easier to organize that sort of plant on a high-pressure basis, seven days a week and twenty-four hours a day, than a plant which is in reality an assembly plant, back of which there are many hundreds of small shops manufacturing component parts. But we shall, I think, as time goes on, bring the aircraft industry up to that point. We have one plant that is not far away from that now. It is pretty well organized, and I think we shall eventually get the industry on a seven-day week and three-shifts-a-day basis. But it takes time. If we could stabilize the industry and say, "we will keep to the models we now have and make no further changes," and stop expanding floor space, we could bring the industry up to the stage my hon. friend suggests. But it is an expanding industry in many ways, and we have not yet reached that point.

Mr. QUELCH: Until we have done so should we not hesitate to withdraw skilled labour from the industry for the army because that is bound to retard production? On the other point, that we should not hesitate to give a plant enough business to warrant an expansion of floor space, do I understand the minister to say that it does not matter whether we get the United States to buy these planes from us, to make them available to England or Russia under the lend-lease plan?

Mr. HOWE: Not at all. There is not a plant in Canada that has not sufficient work to last until the end of 1943.

Mr. QUELCH: At the present rate?

Mr. HOWE: They can produce as fast as they like. They have ample orders. There is no restriction on anyone producing all that their plant can produce to-day. If they do not do so, they are missing a golden opportunity and are out of pocket on that account. There is no lack of orders to-day. It has taken time to organize our plants for continuous production, but there is not a plant in Canada to-day that cannot tell you what planes they are going to be making this time next year.

My hon. friend says that once a man goes into the aeroplane industry, he should be kept there and not be taken out for the army. I do not consider that a man who has spent six or eight months in the aeroplane industry is a skilled mechanic who must not be taken out of the industry for the army.

Mr. QUELCH: You would lose the benefit of eight months training because you would have to put a new man in the industry in his place.

Mr. HOWE: Perhaps so, but the armed services require mechanics too. The air force, for instance, requires mechanics just as badly as does the aeroplane industry, and if they cannot get them from industry they have to train them. It is just as easy to train a mechanic in an aeroplane plant as in a training school.

Mr. QUELCH: The army will not need mechanics unless they get the machines from industry.

Mr. HOWE: The army is not badly off for machines to-day. It is all very well to theorize, but after all it is only fair to take an industry and see what it was a year ago and what the trend has been since then up until to-day. To-day the aeroplane industry is vastly stronger than it was a year ago or even six months ago, and a year from now when we have been able to stream-line the industry we shall have a greater ratio of employment, but as long as my hon. friend says that there is great unemployment, and keeps insisting on that, I cannot agree with him that it is improper to take men from any industry if they are needed for the army.

Mr. QUELCH: The minister will not dispute the figures tabled in the house by the unemployment insurance commission, which show 34,000 men and women unplaced.

Mr. HOWE: I have 34,000 jobs to-day which I cannot fill. I think we had better get together.

Mr. QUELCH: I think so. The unemployment insurance commission has been set up for the purpose of getting these people jobs.

The minister has referred to the fact that we have had a fairly rapid expansion of industry. I think the government are altogether too prone to emphasize the fact that the production of war materials has had to start from scratch, and that they have been handicapped by lack of skilled men, tools, plants and equipment. Whose fault was it that that situation existed? Have the men who were responsible for that position being in existence upon the declaration of war been removed from office? If they have not been, have we any assurance that they are not still to-day retarding our war effort? From 1935 to 1939 we continually hounded this government to take the necessary steps to develop the resources of this country, and members here who were in the house at that time know the kind of response we got from the Minister of Finance. Always his reply was: "There is no money available". So I think the government is not in a very good position to-day to give the excuse that it has not been able to achieve a more rapid expansion of industry because it had to start from scratch, because, in other words, it allowed the resources of this country in man-power and in industry to be systematically sabotaged during the five years preceding the war.

I should like to ask the minister two or three questions regarding the road along the Lachine canal. I have seen the Canadian Car and Foundry works, and I have seen some pretty bad roads in the west, but I have seldom seen a worse road than the particular road which is servicing that war plant. Just a week before I went there, a load of aluminum had gone over into the canal, and there have been a number of accidents. There is, I understand, a dispute between the city of Montreal and the transport department, as to responsibility for the road, but surely in a matter as important as this the government should go ahead under the War Measures Act, fix the road and argue responsibility afterwards. The road certainly should be fixed.

Mr. HOWE: That road is a private road. It is not part of the canal property. It has been a moot point. The Canadian Car and Foundry have tried to bring pressure to bear on the department from this side of the house and from the opposite side, and I am glad to

see that they have gone down now to the far corner. Nevertheless the question of responsibility has been looked into, and it is not the responsibility of the federal government. The federal government will have nothing to do with that road. The sooner the Canadian Car and Foundry Company appreciate that fact, the sooner they will get a road.

Mr. QUELCH: Do I understand the minister to say he is going to allow the condition of the road to impede or hamper the production of planes, as it is doing at the present time? He can take the necessary steps to see that the road is repaired, and fix the responsibility afterwards.

Mr. HOWE: I think my hon. friend would be very well advised to stick to matters he understands. He is not an engineer; he is not a highway man; he is not an expert on municipal authority, and he had better speak on more general questions.

Mr. QUELCH: The minister says I am not an authority on road-building. He would probably be surprised to know the amount of experience I have had, and the number of years I have spent on contract work building not only railways, but highways. I know a good deal about the condition of that road. It would not cost very much to fix. It has a hard bottom and is full of holes and ruts. He should be a little more careful about the remarks he makes when he says I do not know about roads and highways. I spent a good deal of time on subcontracts before the war.

Mr. EDWARDS: Where?

Mr. QUELCH: On the Grand Trunk line, and the Goose Lake branch line, Twining and Youngstown.

Mr. BLACKMORE: Whose business is it, anyway?

Mr. QUELCH: I do know that this condition is having a serious effect on our production. At the propeller factory of the Canadian Car and Foundry company there is an open sewer running right through the grounds.

Mr. HOWE: The property it is running through is owned by Canadian Car and Foundry Company Limited. I understand they are making fair returns on the contracts they have. The hon. member could suggest to them that they might fix it.

Mr. QUELCH: It is not their sewer. The responsibility must be with the city of Montreal or some other authority, and I think the minister should be sufficiently interested in the workers in that industry to see that action is taken regarding that open sewer. One can imagine what it is going to be like near that factory in the hot weather. I am not discussing whether or not it is the responsibility of the federal government or of the city of Montreal. It is near a factory engaged in producing war materials, and for that reason the minister should have an interest in the remedying of that condition.

Mr. NICHOLSON: I have understood from statements of the minister on several occasions that shortage of steel is one of his major concerns. I have a letter from H. Gauvin, manufacturer, of Ottawa, advising that:

> Four million pounds of metal and five hundred thousand dollars could have been saved to date by the government on their low cost housing since the war, simply by using Enamel-Steel-Bathtubs.

I am not advertising this particular ware, but the manufacturer of these bathtubs wrote on April 1 to the director of national housing under the Department of Finance regarding this particular bathtub, and apparently it had sufficient merit to warrant a reply from the director as follows:

> Having seen your new all metal bathtub I feel that it has sufficient merit to warrant us asking you for definite quotations and as discussed with you a few days ago I wish you could arrange to give us definite quotations based on: 1,000 tubs 5′ long; 5,000 tubs 5′ long; 10,000 tubs 5′ long.

This brings me to the question I have in mind. This manufacturer was advised that Wartime Housing Limited was the department to be interested in this particular invention. The manufacturer informed me:

> I wish to state that I have repeatedly offered the entire use of my patent covering my low cost enamel steel bathtub to the government for the duration of the war, with or without my services, on their own terms, for the saving of metal, with no answer.

I cannot verify that statement; but the claim that four million pounds of metal and four hundred thousand dollars can be saved would seem to me to warrant at least a reply to this letter. I took the trouble to write to Wartime Housing Limited on February 26, after giving some consideration to this man's representations, and I said to them:

> Mr. H. Gauvin, 26 James street, Ottawa, has been discussing with me his Steel-Enamel-Bathtub. He discussed the use of this tub with the national housing administration here, prior to the establishing of Wartime Housing Limited, with a view to using this type of tub in the low-priced houses which were to be constructed. He has given me a copy of his file and, apparently, has not received an acknowledgment to a number of letters sent to you.
>
> I am enclosing copies of eight letters, and would appreciate a reply from you, commenting

on this particular type of tub and whether the saving in material, which he claims would be effected, would warrant his applying for special consideration from the steel controller in connection with the manufacture of these tubs.

I might say that, having visited the temporary houses being built by Wartime Housing Limited, it is my considered opinion that these tubs would last much longer than these temporarily built houses will last.

Mr. MacNICOL: Are these tubs made in Ottawa?

Mr. NICHOLSON: He had his quotation from a reliable firm in Ottawa to manufacture in these quantities: 1,000, 5,000 and 10,000.

Mr. MacNICOL: They are not making them yet.

Mr. NICHOLSON: No. He has his patent, but he cannot manufacture until he gets permission from the steel controller.

I failed to get a reply from the government-owned company which has already undertaken to spend thirty million dollars of public money, so I had occasion to discuss the question with the minister. After doing so, he assured me he would get a reply, and so the day after the interview I wrote the minister as follows:

As suggested during our interview yesterday, I am writing you in connection with correspondence between Mr. H. Gauvin of Ottawa and Wartime Housing of Toronto, and also regarding a letter I sent to Wartime Housing on February 28 which has not been acknowledged to date.

You intimated you would find out why these letters have not been acknowledged, and let me have a report at a later date.

That letter was written on March 18, and to date I have not had a reply from the minister, so I assume that he did not have any reply from his government-controlled company, Wartime Housing Limited.

I have a letter from Mr. Gauvin, dated May 1, the last paragraph of which reads as follows:

About a month ago, a gentleman called on me saying that he represented the Wartime Housing Ltd. and wanted to inspect my Steel-Enamel-Bathtub and make a report to the Wartime Housing Ltd. I gave him all the information he wanted and he inspected the product, and it turned out he was a representative of Crane Limited acting for Wartime Housing Limited.

That is a strange set of circumstances, that Wartime Housing Limited, after this long delay, finally sends to inspect this particular bathtub a representative of a rival firm.

Mr. HOWE: Might I point out that there is a difference between Crane and my hon. friend's friend, in that one makes bathtubs and the other does not. Is that not true?

Mr. NICHOLSON: Yes; but the minister is not going to laugh away this question as easily as that. I am not contending that this bathtub is everything it is represented to be, but at least I think the manufacturer is entitled to a statement from some responsible official of this government.

Mr. EDWARDS: What manufacturer? There isn't any manufacturer.

Mr. NICHOLSON: Oh, yes; the manufacturer is H. Gauvin, and his bathtub is available for display, I understand, if any member of parliament wishes to see it. I again wrote the minister, on May 5:

On March 18, I wrote to you following an interview on the previous day in connection with Mr. H. Gauvin.

I still have not had any acknowledgment from Wartime Housing Limited on the letter I wrote to them on February 28. Mr. Gauvin has written to me again, and I have just advised him that my letter of February 28 has never been acknowledged—

I think the people of Canada are not going to be satisfied with Wartime Housing Limited failing to answer a letter from a member of parliament regarding a claim of this sort. I merely asked them for a statement that this proposal was "all haywire" or that it had some merit in it. I have not had even the courtesy of a letter. For Wartime Housing Limited to send a representative of Crane to report on this particular project, and even after that has happened, being unwilling to reply to a member of this parliament, who in turn is responsible to the people of Canada for national expenditure, simply is not good enough. I ask the minister to tell this committee why Wartime Housing Limited cannot reply to letters of this sort and why they have to engage employees of Crane to pass an opinion on a matter of this kind.

Mr. HOWE: Rightly or wrongly, the department takes the view that articles should be sold on their merit and that they should not be high-pressured by members of parliament. I do not like to say that to hon. members, but frankly we do not like—

Mr. MacINNIS: High-pressured by Crane.

Mr. HOWE: —members of parliament to act as high-pressure purchasing agents. My hon. friend is very much interested in housing. I have had many talks with him about it. I asked about this project, and requested him to get a report on it himself, whether there was any merit in this thing. My hon. friend cannot demand a reply from me on behalf of the salesman of a product to the Department of Munitions and Supply. He is not entitled to do that, and he cannot demand

it of any member of my staff. It is not the privilege of members of parliament to interfere in the purchasing of the Department of Munitions and Supply, and every member of parliament knows that except my hon. friend.

Mr. NICHOLSON: I have no interest in this firm or in this individual in any shape or form.

Mr. HOWE: Well, the hon. gentleman has written a great many letters about him. He is selling a commercial product to a buying department of the government.

Mr. NICHOLSON: According to the information, he can provide—and the minister has not contradicted it—a saving of four million pounds of metal and $500,000. That has been claimed, and a reliable firm in Ottawa has submitted quotations. According to the quotations to the national housing administration, which also is a government-owned concern, he is offering 1,000 bathtubs at $15.10 a bathtub, 5,000 at $13.90 and 10,000 at $13.15.

Mr. HOWE: Was this tender accepted?

Mr. NICHOLSON: No, for the reason that he cannot get the materials until he gets permission from the steel controller. Any hon. member who will visit the houses in Hull will agree with me that $15 a bathtub is quite good enough for those houses. I cannot see any reason for the minister taking the stand he does, that a member of parliament is not entitled to a reply to letters such as I have written, as to whether there is merit in the man's claim. All I ask for is a statement to the effect that his bathtubs are not acceptable and his claims are extravagant.

Mr. HOWE: I will call my hon. friend's sales talk to the attention of my purchasing department.

Mr. NICHOLSON: That is not good enough. On March 18 the minister took a different attitude from the one he is taking to-night. My understanding then was that my request was legitimate, and I thought I would receive the information. Would the minister tell the committee why wartime housing has refused to answer my letters in this connection? I should like to have an answer to that question.

Mr. HOWE: Frankly, all I can say is I do not know why they refused. I shall be glad to ask them to give an answer.

Mr. MacINNIS: The minister should withdraw the statement that the hon. member's speech was a sales talk. I do not think that is a dignified statement or is consonant with the decorum of the house, and the minister certainly should not use his privilege as a minister to call the speech made by any member a sales talk. I suggest, Mr. Chairman, that you demand a withdrawal of that statement.

Mr. HOWE: I withdraw with pleasure.

Mr. JOHNSTON (Bow River): There are one or two matters to which I wish to call attention, but before I do so I would refer to a remark made by the minister in reference to the member for Acadia (Mr. Quelch). He suggested that the hon. member was overemphasizing the unemployment situation, and I think he implied that there was no unemployment problem. A return was brought down in connection with the unemployment situation. It was asked for by the member for Macleod (Mr. Hansell), and it was tabled on May 6. It had to do with the unemployment question. The first question was this:

What is the number of unemployed in each Canadian city of a population of 10,000 or over?

The answer to that question would not by any means give the total unemployment, because this was simply the unemployed registered with the unemployment commission for cities that had a population of 10,000 or over. The answer is:

Attached hereto is a statement showing applicants registered for employment on April 23, 1942, at employment and claims offices of the unemployment insurance commission in cities with a population of 10,000 or over.

The total number of unemployed was 33,449; total males, 25,277, and females, 8,172. That was simply those registered in cities with a population of 10,000 or over. The next question was:

How many in each of these cities are receiving direct relief?

The answer was:

No information in possession of the unemployment insurance commission.

In reply to a further question the information was given that the number of unemployed who have registered for employment is not a matter of record. There are two points there of which the minister should take note. There is a large number of available unemployed who are already registered with the unemployment insurance commission. The minister should know that over 33,000 have registered, and that only in cities having a population of 10,000 or over, so that it would be safe to say that there would be double that number if you took the country at large. I do not think the minister is aware of that situation.

Let me refer to the Minutes of Proceedings and Evidence, No. 3, of the standing committee on railways and shipping, wherein the minister, speaking to the committee on the question of unemployment, is reported as follows:

As a matter of fact, gentlemen, there is no unemployment in this country. If you can show me a thousand men unemployed to-day I can tell you exactly where they can be employed at very excellent wages.

I suggest that he has been told where there is a large number of unemployed. I am sure the people registered would be exceedingly gratified to know that they will be employed at excellent wages. I continue to quote from the minister's statement:

This country is short of employment from end to end.

According to the statement, there is not a city in Canada with a population of 10,000 or over that has not some unemployed who are registered with the unemployment insurance commission, and I have them all here in detail, giving every city with a population of 10,000 or over. I think it would be of advantage to the minister to check this over if he is short of labour—and it is not only skilled labour he wants. Then I continue:

Mr. Maybank: All right.

Mr. Shaw: Mr. Chairman, I should like to ask Mr. Howe if his statement applies to unskilled as well as skilled men.

Hon. Mr. Howe: Both.

Mr. Shaw: That seems contrary to a recent radio broadcast that said—and I believe it is a censored broadcast—that unemployment in this country had increased by 5 per cent since January.

Mr. Donnelly: Who said that?

Mr. Shaw: It came over CFBN—

I think that should be CFCN.

—in Calgary in a news broadcast about three weeks ago, and if that is correct, I would not say that your figures with regard to unemployment would stand up.

Hon. Mr. Howe: If you can deliver me a thousand men at Ottawa I will be very pleased to use them at Sudbury to-day. If you deliver me five thousand I can use them at Arvida.

Apparently the minister is looking around for men. There they are. Evidently there is lack of coordination somewhere. I am not trying to imply that the minister was insincere when he made the statement, but the evidence produced by the department itself is contrary to what the minister has in mind. I believe, as the hon. member for Acadia just mentioned, that many difficulties of which the minister is probably not aware could be straightened out. Take, for example, the road referred to. Regardless of the fact that the minister intimated that that was not his responsibility, the fact remains that the poor condition of that road is definitely interfering with our war effort. The minister should take the officers of that company out and—I would go so far as to say—horsewhip them. That is not putting it too strongly when anybody stands in the way of our war effort. The minister should not dilly-dally with them; he has the authority and the power, and it is his responsibility to see that they produce 100 per cent.

Another matter to which I wish to refer is the matter that was brought up to-night by the hon. member for Lake Centre in regard to certain expenditures being charged up to production and consequently coming out of the public revenue. A war expenditures committee has been set up by this house this year, and there was one last year. I have said before that I think the members of that committee a year ago did a great deal of hard work and were sincere in their efforts. But if that committee had had proper facilities, I tell the minister that such a condition as was brought to his attention to-night would never have existed. I believe that every hon. member who is on that committee this year and every hon. member who was on it last year is and was endeavouring to assist the government in its war effort. Saving money was one of their major objects. This year the question of production comes in. If the committee is given every facility I believe it will greatly assist the minister. But I do not believe that the committee, as now constituted, can do that work of checking up such details as were brought to the attention of the minister to-night. The committee which sat a year ago, working as energetically as they could, did not have the legal or technical advice of men independent of the government to enable them to investigate a case like that. What should have been done is that the committee should have had a secretariat. That is, they should have been permitted to employ a man who could give them sound legal advice, a good lawyer independent of the government or of members of parliament. They should also have had at their disposal a first-class accountant and a good statistician. The minister may say, "Oh, well, you cannot spend so much money."

Mr. HOWE: Do not put words in my mouth. I am saying nothing.

Mr. JOHNSTON (Bow River): I did not say the minister said it, but he looked as though he might have said it. I am not trying to attribute anything to the minister; I am suggesting that he or someone else might raise the question of expense. But the matter spoken of to-night was an excellent example

of how a large amount of money might have been saved to the government. After all, if the employment of a secretariat such as I have mentioned would help the government save money and would in any way increase the present production of our war machine, it would be money well spent.

The question might be raised, "What do you want a lawyer for when you have several lawyers on the committee?" The subcommittee that I happen to be on is dealing with contracts and production. There are lawyers attached to the committee; but regardless of what anyone may say, there is a political tinge, and the endeavour should be to get away from politics entirely. That can be done by sitting in camera. But there must be some person who can give legal advice. On these committees are many who are not lawyers. I think a lawyer is good in his place, and that would be one place for him. Certainly the committee should have the services of an accountant. How can ordinary laymen delve into these matters and find out such a thing as was brought up to-night in regard to this morale-building matter?

The minister is missing a wonderful opportunity if he does not insist that the war expenditures committee be given a secretariat so that they can search diligently into this department. I had an example of the need the other day. I put a question on the order paper asking for the production of papers in regard to the Ottawa Car and Aircraft company. I received a telephone call from the department. Mr. Marsh informed me that there were two wheelbarrows full of correspondence—I think it was two. He said, "Surely you do not want me to copy all this and send it over to you." Well, if he had done it, I would not have had time to go through it. So I said, "No, that is not what I want." He said, "Well, if you will tell me just what you want, I will try to get it." There is the difficulty the committee will find themselves in, and that is just one small company—two wheelbarrows full of correspondence. I suggest that no committee can go into such a matter with the intention of assisting the department and thereby assisting our war effort unless they have someone that they can call upon in such matters, someone absolutely independent of the department. If such were the case now, it would be a very easy thing to say to a chartered accountant and perhaps an experienced lawyer, "Now, you fellows go into that department and get all the material we want." I am sure the department is not trying to hide anything. I am sure Mr. Marsh, who telephones me, would do his best to get the material I require, but how does he know what we want? I believe that if the committee is to do the work it should do, it should be given a secretariat which would efficiently and effectively go into these departments and get the information we are trying to get. If you keep the committee sitting in camera it will not be a case of publicizing the thing in order to get publicity; it will be a case of doing the job efficiently. Then, when we get through, members of the committee will not have to rise in the house and say, "We did not have an opportunity to go into that department. We did not have the time, and we did not have the facilities at our disposal."

The CHAIRMAN: I do not want to interfere with the hon. gentleman, but he is discussing a matter of procedure before a committee of parliament. I do not believe this is the proper time or place for that. The matter of procedure in a committee must be discussed in that committee. The committee may report to the house and request the remedies suggested by the hon. member, but it is not in order to discuss the procedure or the powers of a committee, or the assistance the committee should receive, when we are considering the resolution now before the committee of the whole.

Mr. JOHNSTON (Bow River): I was referring to the war expenditures committee of last year, Mr. Chairman. I think that can be discussed now, can it not?

The CHAIRMAN: No; this is not the proper time or place to discuss even a committee of last year.

Mr. JOHNSTON (Bow River): Well, Mr. Chairman, my only desire in bringing up this matter is to endeavour to avoid a repetition of what occurred to-night.

The CHAIRMAN: I have indicated the procedure to the hon. gentleman. I am not here to suggest ways and means, but I have indicated the procedure to which the hon. gentleman may have recourse, before the committee itself. Then, if the committee at present sitting on the very subject being discussed by the hon. gentleman—

Mr. JOHNSTON (Bow River): Just what would be the procedure in the committee? Would you tell me, sir, how I could do that in the committee? What would be the procedure?

The CHAIRMAN: The committee itself could deal with that question. If the committee feels that it needs assistance, it is for the members of the committee themselves to discuss how they should go about getting it.

Mr. JOHNSTON (Bow River): I quite agree, Mr. Chairman, that it is the privilege of any member of the committee to discuss in the committee what he thinks should be done. But even you, Mr. Chairman, I do not think would overlook the fact that with its present set-up, with a large majority of government members, it is doubtful whether the committee would accept any such suggestion.

The CHAIRMAN: At the moment I am not interested in that, except to say that it would not be in order now to discuss the procedure of the committee. If, when the report of the committee is drawn up, the minority members do not feel satisfied with the procedure, they can bring in a minority report.

Mr. JOHNSTON (Bow River): Well, Mr. Chairman, I venture to say that no report will be brought back to the house for some little time. I am suggesting to the minister—

Mr. HOWE: What has the minister to do with a committee which is investigating the Department of Munitions and Supply? It is not my committee; I am not a member of it.

Mr. JOHNSTON (Bow River): I think it would be to the minister's interest to suggest—

Mr. HOWE: Never mind the minister. You are a member of the committee; you do what you like. It has nothing to do with me.

Mr. JOHNSTON (Bow River): Then how does the minister expect that minority members of a committee will be able to do what they like in that committee?

Mr. HOWE: I do not care what they do. I am not a member of the committee.

Mr. JOHNSTON (Bow River): I am just about coming to that conclusion. But I think the minister would do well to demand that a secretariat be placed at the disposal of that committee, so that a proper investigation might be made of his department.

The CHAIRMAN: Any discussion as to the composition of the committee is altogether out of order. This matter was dealt with when the motion setting up the committee was before the house. It is out of order to discuss either the composition or the procedure of the committee now.

Mr. JOHNSTON (Bow River): I shall abide by your ruling, Mr. Chairman, and we will do the best we can. When the report is made, we will see what can be done.

Mr. HOWE: A few days ago the hon. member for Bow River brought up a subject which I would not reopen but for the fact that I have had protests from both the management and the employees of the Calgary rolling mills because of the statements made by my hon. friend. Those rolling mills are in the constituency of Bow River, and I should think we might expect any statement made by the hon. member to be accurate. As reported at page 2028 of *Hansard* for April 30, the hon. member said:

> Within the last little while I have heard the Minister of Munitions and Supply say there was a shortage of steel. I do not believe that.

I do not quarrel with that; I would not expect the hon. gentleman to believe me.

> I think that statement is absolutely incorrect—

Again I am not surprised.

> —and I am going to tell you why. The rolling mills in Calgary quit work at five o'clock every afternoon. One of the men in the factory told me that they could produce three times the supply that they are producing.

It has been brought to my attention, officially and otherwise, that since the Calgary rolling mills opened they have been working seven days a week, three shifts per day. I have the production figures of the mill from the time they started in September. They are as follows:

	Gross tons
September	1,409
October	1,195
November	1,455
December	1,192
January	1,738
February	1,523
March	1,644
April	1,743

I have had the output checked by our steel expert, and I am told that this is top capacity for a mill of that size. I think, in justice to his constituents, my hon. friend should apologize to the house for a misstatement of that kind.

Mr. JOHNSTON (Bow River): I have absolutely no intention of apologizing to the house or to the minister, because I believe the statement I made will bear investigation. The minister has now gone to a great deal of trouble to investigate this situation. Why did he not do some investigating when we were pressing to have the mill opened? Surely there was enough criticism in this house about not opening it, but the minister was not in any great hurry then to open it. I want to ask the minister a question or two about the mill. I should like to ask how many blast furnaces are in operation at the mill.

The CHAIRMAN: Eleven o'clock.

Progress reported.

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

Friday, May 15, 1942

The house met at three o'clock.

SHIPPING LOSSES

REQUEST FOR SECRET SITTING OF THE HOUSE TO CONSIDER RECENT DEVELOPMENTS

On the orders of the day:

Mr. J. S. ROY (Gaspe): Mr. Speaker, in view of the close proximity of the coast where enemy submarines are now operating, and by reason of particulars I possess and desire to share with the house, but which it would not be wise to disclose publicly, I would ask the government as the representative of the constituency in the vicinity of which these enemy submarine activities are taking place that an immediate secret session of the house be held to consider these most important war developments which are taking place as far as 300 miles within our Atlantic border. These events are of such gravity that it seems to me that the people's representatives should be made aware of all details concerning the attacks and be given an opportunity to take part in deliberations on the means to protect our threatened country.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, my hon. friend could hardly expect the government to regard what he has just stated as a question, but I shall be pleased to read what he has said in *Hansard*, and I can assure him that it will be carefully considered.

Mr. M. J. COLDWELL (Rosetown-Biggar): I think the hon. gentleman is asking for a secret session of the house at which he can divulge some information which he has in his possession. It seems to me that in view of the circumstances it might be wise for the government to grant his request.

Mr. MACKENZIE KING: The matter will have to be considered in the light of what a secret session would involve. My attention has just been drawn to the fact that the hon. member for Gaspe (Mr. Roy) mentioned that he had some information that he wished to impart in a secret session. Might I suggest to him that he give the information immediately to the Minister of National Defence for Naval Services (Mr. Macdonald). That will assist the government in reaching a conclusion as to what further steps should be taken.

Mr. ROY: I shall forward my information to the minister, but I would still appreciate the holding of a secret session, as there are many things which should be discussed by the house.

[Mr. Chairman.]

1941-42 VICTORY LOAN

On the orders of the day:

Hon. W. E. ROWE (Dufferin-Simcoe): Mr. Speaker, I wish to make a correction in the report of my speech last night. I am not suggesting that it is the fault of our efficient *Hansard* reporters, but at page 2442 of *Hansard* I am reported as having said that, according to a press report, in the last victory loan "one out of 6·5" of Canada's population purchased bonds whereas in the first victory loan in June, 1941, "one out of every 12·02" bought bonds. What I intended to say was that in the last victory loan 6·5 per cent of our population purchased bonds whereas in the previous sale of victory bonds 12·02 per cent of our population bought bonds.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, May 14, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Bradette in the chair.

MUNITIONS AND SUPPLY

Mr. HOWE: Mr. Chairman, with regard to the discussion initiated last evening by the hon. member for Lake Centre as to the director-general of aircraft production, it would appear that the aircraft industry has been in convention in Ottawa yesterday and to-day, and they have sent me a document which I should like to read to the house and place on *Hansard*. It is dated May 15, 1942, and reads:

Representatives of every phase of the aircraft industry in Canada, assembled in convention at Ottawa, do hereby unanimously resolve that:

1. They are familiar with the facts connected with the organization of the morale-building campaign, which has resulted in the setting up of a series of advisory committees from coast to coast, consisting of citizens of the highest standing in their communities, and are satisfied that there have been no improper actions taken, and that Mr. E. G. Hirst has received no direct or indirect benefit from his activities in connection with this matter.

2. They consider this activity to be a well-planned effort to build up and maintain the morale of all workers in the aircraft industry and that its continuance is a vital necessity, in the national interest.

3. That whereas in the past, this activity has had to be carried on in a somewhat informal manner, funds should be provided to enable it to continue on a formal basis.

4. They wish to bring to the minister's attention that Ralph P. Bell, as Director-General of Aircraft Production of the Department of

Munitions and Supply, and his organization, have brought the aircraft industry in Canada from a low condition to its present high standard.

5. That Mr. Bell has given unsparingly of his time and energy to this important phase of the war effort and that he has set a standard of patriotic devotion and duty which is an inspiration to all who have contact with him.

Canadian Pratt & Whitney Aircraft Co. Ltd.,
James Young, President.
Noorduyn Aviation Ltd.,
R. B. C. Noorduyn, Vice-Pres. and General Manager.
Canadian Wright Ltd.,
D. M. Martin, Manager and Director.
Clark Ruse Aircraft Ltd.,
J. C. Ruse, President.
Reliance Aircraft Co. Ltd.,
J. J. Morch, President.
Fairchild Aircraft Ltd.,
H. M. Pasmore, President.
National Steel Car Corpn.,
R. J. Magor, President.
Canadian Pacific Air Lines Ltd.,
T. W. Siers, Overhaul Superintendent.
Canadian Car & Foundry Co. Ltd.,
V. M. Drury, President.
British Aeroplane Engines Ltd.,
H. V. Wright.
Coates Limited,
C. P. Coates.
De Havilland Aircraft of Canada Ltd.,
W. J. McDonough.
Trans-Canada Air Lines,
Jas. T. Bain.
M & C Aviation Co. Ltd.,
R. Mayson, President.
Canadian Vickers Limited,
B. M. Franklin, Manager, Aircraft Division.
Boeing Aircraft of Canada Ltd.,
S. Burke, President.
Prairie Airways Ltd. (Aircraft Division),
H. H. Burke.
Aircraft Repair Ltd.,
W. L. Brintnell, President.
Standard Machine Works,
Chas. F. Pearce.
Aviation Electric Ltd.,
A. Bandi, President.
MacDonald Bros. Aircraft Ltd.,
Grant MacDonald, President.

This document I think shows definitely that Mr. Bell has been proceeding along the right lines, although his methods in this instance do not commend themselves to myself, or I believe to the house. Apparently there was no doubt that the industry were fully agreed that an officer of the type appointed by Mr. Bell was necessary, and that the organization which is being built up by this officer has been doing most efficient work. You will notice that all firms in the aircraft industry urge that the work be not discontinued, but rather formalized and carried on in an expanded way.

I noticed in reading *Hansard* that the suggestion was made last evening that Mr. Hirst received a salary from the industry which was charged indirectly to the government.

Mr. HANSON (York-Sunbury): No, no; nobody said that.

Mr. HOWE: I think I should make it clear that he has received only out-of-pocket expenses.

Mr. HANSON (York-Sunbury): Nobody said he was receiving a salary. What was said was that he was being reimbursed by business.

Mr. HOWE: The hon. member for Lake Centre made a remark which led me to believe that that was meant.

Mr. HANSON (York-Sunbury): Nobody said that.

Mr. HOWE: In any case I want to make it clear that he received no salary and no indirect pay through advertising.

Mr. DIEFENBAKER: So far as I am concerned there is no argument about the fine work that is being done and has been done by Mr. Bell. But the minister in bringing this matter up again has not answered the contention which I made last evening that the action taken by the department in this matter was improper. Only a few moments ago I received a telegram which bears out the contention of my leader last evening when he referred to the dangers inherent in this kind of thing. There has been no answer yet to one question which was asked last evening, and to which I think we should have an answer, arising out of that portion of the letter written by the director of aircraft production to the aircraft companies, which reads:

This sum—

That is, the sum advanced by these companies.

—is, by arrangement with treasury, chargeable to overhead in connection with your aircraft contracts.

Before I read the telegram may I ask the minister now when the arrangement with treasury was made, who made it, and generally all the circumstances touching on that arrangement.

My criticism last night was twofold: first, why conceal this item; second, why not have revealed the circumstances to parliament when the question with regard thereto was first asked? Last night my leader pointed out the dangers inherent in this thing, and he asked the minister specifically whether this was the only case of its kind; are there others? As yet there is no answer to that.

The telegram which I received to-day is dated May 15 and is from Toronto. It reads as follows:

A letter signed "Bell" of Department Munitions and Supply soliciting business for E. G. Hirst was sent not only to aircraft factories but to commercial firms including a

number of our customers. We have reason to believe we lost at least one substantial contract from an organization which needs government good will because of this letter.

Millways, Toronto.

First, why the concealment; why was not this man shown on the records as receiving a total amount of $9,000 in expenses? It was being paid by the government of Canada. Second, are there others in the same position as Mr. Hirst? Third, why was this course adopted instead of revealing the matter either by showing his name as an employee or showing that his expenses were chargeable to the people of Canada?

Mr. HOWE: I think it has been made perfectly clear that I did not know of the transaction. As a matter of fact I knew of it about a week after the leader of the opposition knew about it. An employee leaving the company sent a letter to the leader of the opposition, and the new incumbent sent it to me because it had been sent to the leader of the opposition. That is the first I knew of it.

Mr. HANSON (York-Sunbury): I shall have to correct that. Nobody sent me the letter. It was sent to a colleague of mine who brought it to me.

If the minister will allow me—I have to go in a minute—I should like to say that nobody at any time has attempted to disparage Mr. Bell's activity as aircraft director. I want to make that perfectly clear. I agree entirely with the minister that the method he adopted was reprehensible and that the practice should be stopped, and stopped at once, and the money returned to everybody who contributed. If they want to build up a morale campaign let them go about it in the right way and do it in the right way, but do not let the cost of it be smuggled into the expenditures of the taxpayers of Canada under the guise of an addition to overhead. If it is a necessary expenditure, by all means let us make it.

How many other schemes of this kind are being financed indirectly, secretly, by the treasury of Canada, the taxpayers not knowing the slightest thing about it? If there are any, let us have the names at once; if there are none, then let us know.

Mr. HOWE: I know of no others. I did not know of this one until it turned up by accident, but I do not think that after the impropriety was called to Mr. Bell's attention there will be the slightest possibility that it will be repeated. As I said last night, it was not a matter of charging expenditures to overhead. Instructions had gone out that that should not be done and it has not been done. I think this matter should be dropped. The only purpose would be further to smear his name across the headlines of the country. It has gone from coast to coast, and I doubt if it adds to the war effort. However, it was done. I made it clear that what was done was done with the acquiescence of the trade, and the results won the endorsement of the trade as indicated by the statement I have put on *Hansard*.

Mr. MacNICOL: During the time the Department of Munitions and Supply will be before the committee I am going to try to find out if it is possible, first, to increase aircraft production; second, what the situation is with regard to the production of synthetic rubber; third, what the situation re magnesium metal is; fourth, whether by some means Canada can bring about the production of oil in a big way.

I had intended commencing with No. 1, aircraft production, but in view of what took place yesterday and again to-day I will delay my remarks on that subject and begin by discussing the possibility of producing oil on a large scale in the dominion. I believe that either the branch of the oil controller published a number of advertisements on December 2, or that such advertisements were published on their behalf. I have one here which reads:

The empire's mechanized forces rolling on to victory need oil, war's greatest weapon.

The advertisement illustrates a couple of tanks and is well adapted for attracting the attention of people to the necessity of conserving oil. On September 25, 1941, the director of public information issued a bulletin in which these words appear:

Oil and the war.

"The Battle for Oil" is the title of the latest film release of the national film board. One of the "Canada Carries On" series, it shows the vital part played by gasoline and oil in modern war.

Then the minister's own department on the 12th instant issued a bulletin in which I find these words:

Canada's gasoline inventory is steadily becoming worse.

On March 24, the minister himself made a speech which was reported in the *Globe and Mail*. I do not know the name of the club or the body whom he addressed, but his speech was reported in the *Globe and Mail* and he made a frank statement on the subject. He said:

If I tell you frankly that we are likely to lose the war unless we can get enough oil and enough rubber you will understand how very serious our position is.

That was a frank statement which should command the attention not only of the people of Canada but of all those who are interested in the production of oil, which, as I read a moment ago, is the war's greatest weapon. Then in *Hansard* of November 20, 1940, the minister made a statement which indicated that at that time he had in mind the production of oil in Canada. As reported at page 268 of *Hansard* of November 20, 1940, he said:

> The oil controller first of all addressed himself to the problem of ascertaining the exact position of the petroleum industry in Canada, with a view to assuring an adequate supply of petroleum products for military purposes, and also to determine the production capacity of Canadian sources of supply, which are largely confined to the province of Alberta.

From that it is clearly evident that the subject of oil production has been under the consideration of the minister and his department almost from the beginning. What has been done since that statement was made in 1940 or since the war broke out to bring about the production of oil in Canada on a large scale?

I believe that some time around 1914 oil was discovered in Turner valley. Perhaps it was earlier than that, but that was about the time the first well was tapped. A fine job is being done there. Relatively speaking, it is a small field, comprising about 10,000 acres with a capacity, I am told, of approximately 10,000 barrels an acre or a total capacity of 100,000,000 barrels. Comparatively 100,000,000 barrels would be considered a small oil field, as I say, they are doing a fine job and their oil is good. Their products are good. I have been over the plant, and I think they are producing about 26,000 barrels a day. Naturally, owing to the size of the field, I believe they are proceeding in the right direction in not trying to develop all their oil at once. I believe that during the last few years various oil companies have been drilling in different areas of Saskatchewan, and others in Alberta. Some oil is being developed near the Alberta-Saskatchewan boundary at a place called Vermilion. The quantity produced is not large but it is developing. In Ontario, oil was first sought for in 1859 near Collingwood, but nothing has ever come of it. I am told, however, that recently oil geologists have been in the area again trying to ascertain if there is any source of oil there worth tapping. The counties of Lambton and Kent in the early sixties did produce quite a quantity of oil for those days. I believe it was about 1861 that they commenced producing oil in the county of Lambton; it spread into the county of Kent, and for three years they produced a total of approximately 3,000,000 barrels of oil. Many hon. members have been through that area and have seen oil-well derricks still standing. They have been standing there for many years. Lately, attempts have been made to tap a few more wells there, and I believe they are producing oil, but not very much. I am told that at present oil geologists are in New Brunswick, as were oil geologists in 1858 and thereabouts. At that time the place was called Baltimore. I am not just sure of the location. I talked to one engineer who was familiar with the oil shales of New Brunswick, and he said he thought something might come out of investigations there.

Last summer I made a trip to the Peace River area and learned that some years ago, about 1921, oil wells were discovered not very far from the town of Peace River, but not much came of that. I have read the reasons but will not take time to relate them now. From what I read in a letter from Mr. H. A. George of Peace River I would say there is a fair amount of oil in that neighbourhood.

During the last few years oil has been found at Fort Norman on the Mackenzie river and is being produced, although not in a large way. I tried to go to Fort Norman last summer but did not. I expect to go this summer if the house rises in time for me to obtain transportation down the Mackenzie river. The oil wells there produce first-class oil. There is a small refinery there. I believe the product is largely consumed by the mines roundabout. Geologists tell me a large amount of oil is obtainable there.

This brings me to the area about which I desire to speak at some length, the oil sand area at present being developed on the Horse river about a mile and a half from Fort McMurray and extending down the Athabasca river for some sixty miles and on the Clearwater river and the Christine river, but the focal point, as far as I can see from investigations covering some days up and down these rivers, is near Fort McMurray. Later I am going to ask the minister—I will ask it now to give it more emphasis—to request the appointment of a board of engineers from government departments to investigate thoroughly all data pertaining to the oil possibilities of the Athabasca river area, and if they are found to be, as so many say they are, of tremendous importance, that the government take steps to bring about production of oil in that area in a large way. I intend to say more on that later. I know some of the departments, particularly the Department

of Mines and Resources, have as capable oil geologists as there are anywhere in America. I have had many conversations with Doctor S. C. Ells, and in my opinion there is not a better oil geologist anywhere or one who has made more extensive surveys and studied the subject of production of oil more than Doctor Ells. There are other men maybe as good, but I am better acquainted with Doctor Ells. What I suggest at present is that these men in the government service, who must know whether there is oil in a big way at or along the Athabasca river and how those oil resources can be developed, be asked to promote that development as a board or committee or however the minister decides.

It is no wonder that the oil controller's branch, or whoever publishes the advertisements under that branch, said that oil is war's greatest munition. It is because of that fact and because their oil requirements are so tremendous that the Germans are to-day sending their legions through the Kerch peninsula on their way to the Caucasus. Prior to the war the German requirements were about seventy million barrels a year; to-day they exceed two hundred million barrels, and unless the Germans have a tremendous reserve beyond all conception they must be nearly out of oil. I hope they are. But if they are getting nearly out, that of course would be their incentive in driving toward the Caucasus mountains.

What are our own requirements. The Canadian army is not of very great size yet. It will be larger. But the "Imperial Oil Review" of recent date states that we have 23,500 military vehicles burning gasoline, and they estimate the requirements of Canada's 23,500 vehicles at 100,000 gallons a day, whether they are operating or not. I presume they mean that when those vehicles are operating it will take a great deal more than that, but to lay up reserves they estimate 100,000 gallons a day.

Mr. HOWE: That is the army in Canada alone, I take it.

Mr. MacNICOL: I am saying what the "Imperial Oil Review" states, that Canada's army is rolling along on 23,500 vehicles.

Mr. STIRLING: In Canada or out?

Mr. MacNICOL: I do not know. They are not rolling much outside yet.

Mr. HOWE: We have a far larger number of vehicles overseas with our army.

Mr. MacNICOL: I am glad to hear that. That makes the demands on Canada's oil production evidently greater than 100,000 gallons a day.

[Mr. MacNicol.]

Mr. HOWE: Yes. I want to make it clear that that refers to the figure for Canada.

Mr. MacNICOL: That means all the more necessity for Canada to obtain oil of its own if it can. The same article states that an infantry division to-day requires 249,000 horse-power, which is twice the horse-power used in the industries of the city of Hamilton, and that an armoured division requires 387,000 horse-power, about the equivalent of that used in Toronto for peak-load light and power. This goes to show that the demand is tremendous and is bound to increase, because we as a country have not yet done anything as far as equipment being in active combat is concerned. When it does get into active combat it will render as good an account of itself as any.

Some days ago I read a statement that the average battleship, 35,000 to 45,000 tons, would require at one refuelling from 750,000 to 1,000,000 gallons of oil. Therefore ships on the water are going to require a tremendous amount of oil.

The other night the Minister of National Defence for Air (Mr. Power), whom I always like to see in his seat and to hear when he is piloting his estimates through the house, because he is always so courteous and so willing to answer questions, said that the present air demands for gasoline have increased from $9,000,000 last year—in Canada I presume?

Mr. HOWE: In Canada.

Mr. MacNICOL: —to $20,000,000 this year. If we now require $20,000,000 worth a year in Canada, turned into barrels that is quite an item.

In Regina there is a very capable engineer, Mr. C. Gower of Regina, with whom I had the pleasure of being last summer in the Athabasca oil area vicinity, who estimates that the amount of gasoline that will come from 600 barrels of raw oil is 270 barrels. Using that as a basis, it means that $20,000,000 worth of gasoline would be the equivalent of approximately 4,444,444 barrels of oil. That is more than one-half of Canada's production to-day. In other words, approximately one-half of the oil produced in Canada to-day would be required to operate the aeroplanes the minister was speaking about. If he did not include the aeroplanes that are in Europe, then it would be much more. There is a tremendous necessity to use our resources to the utmost.

I referred a moment ago to what the Germans required, 200,000,000 barrels a year. I have no doubt that Great Britain requires

approximately the same amount. Great Britain has been getting her oil from several sources, the Dutch East Indies, her own supplies in Sarawak, from Burma, Borneo, from Bahrein island, from Iran and Iraq and some from Egypt. What is the position of the oil supplies from these fields to-day? Apart from prosecuting the war, the main reason the Japs went south was the need for oil. Japan produces only about 2,500,000 barrels of oil a year, but it is quite likely that her war machine requires half as much as the German war machine. An additional supply of 75,000,000 to 100,000,000 barrels would be worth while to Japan. What did Japan gain by taking Java, Borneo, Sarawak and Burma? She gained all that production, and if she gets into India she will get a little more. All those supplies are now lost to the allies.

I hope the Germans will not win in their mad race toward the Caucasus but perhaps it would be worth while to conjecture what would happen if they get through. In the Caucasus they would be able to get 225,000,000 barrels a year. If they got that far, it is quite possible they might get into Iran and Iraq, where another 105,000,000 barrels a year would be available. If they got into Iraq, they would probably get Bahrein island, which produces about 7,000,000 barrels a year. Then they might even get into Egypt, where another 6,000,000 barrels a year is produced.

I like to look the situation in the face. If the Germans get all these countries I have just mentioned they will have available 343,000,000 barrels a year which is now available to the allies. The only supplies left to the allies then would be north and south America. On these continents the British have only Trinidad and the Canadian production. The Canadian production now is about 9,000,000 barrels a year, while the Trinidad production is approximately 20,000,000 barrels a year. Outside of that combined production of 29,000,000 barrels a year they would have to go to Venezuela, Peru and the United States. Happily the United States produces more oil than all the rest of the world, her production being something like 1,350,000,000 barrels a year. If Great Britain must rely on the production in Canada and Trinidad, which is only 29,000,000 barrels a year, it is all the more imperative that Canada should produce all the oil possible.

In the early days of the last century and up to now oil came from wells. I remember not so many years ago that gold was taken only from the mouths of rivers, from the sands. Then someone discovered the cyanide process which permitted gold to be taken out of the rock, and since that time more gold has been produced than in all the world's history. We have some very bright engineers in our departments; some of them may discover a method of extracting oil from sand faster than at present, and this process may have the same effect upon the production of oil from the oil sands as the cyanide process had upon the production of gold from quartz.

During the last two or three years I have read everything I could find about the production of oil from sand, and I consulted with as many engineers as I could come in contact with. Last summer I went to see these oil-sand areas. I like to see things for myself; I never can get very enthusiastic about anything unless I can see it. What did I find? I found a small plant on the Horse river near Fort McMurray. This plant has since burned down, but I believe it has been erected again and is now in operation or will be shortly. Last summer it was producing about 250 barrels a day. These oil-sands are quite black, as hon. members can see from the piece I have in my hand. I was present when this particular piece was blasted. If one holds a piece in his fingers for a moment they become covered with oil. It is made up of millions of minute pieces of sand, with a small film of oil around each piece.

At Fort McMurray the sands are about forty feet thick. The engineers told me, and this has been confirmed by the departmental engineers, that in the immediate vicinity of the plant there are several million barrels of oil that can be taken out by the open cut method. The top soil, which is ordinary dirt, is removed with a steam shovel, and you come at once in contact with a depth of forty feet of solid black oil-sands, every cubic yard of which contains approximately one barrel of prime crude oil.

In order to make sure that it produced prime diesel oil I went down to Great Slave lake and lake Athabasca where they told me that the oil is being used in their diesel engines. The engineers at the mines on Great Slave lake, in the vicinity of Yellowknife, and the engineers in the mines at Goldfields on lake Athabasca, told me that there was no better oil anywhere, and that they had given orders to the producing company to ship them every barrel of oil they could. That convinced me that it was good oil. If it were not, these engineers would not have asked for it. If there were anything wrong with the oil it would ruin the engines. I brought down a small bottle of the diesel oil. You see it is black, but it is mighty good stuff. I also brought down a small bottle of the gasoline. It is amazing, when we realize that gasoline

comes out of a solid black sand like that. This is 70 octane. They can raise it a good deal higher, as other companies do; but they tell me it comes through at about 70. Whether that is so or not, I cannot say; I am just taking their word for it.

This shows, however, that the material is in those sands. The question is as to the quantity and whether it would be worth while for the government to assist somebody in producing oil there in a big way. In reply to a question, I heard the minister say on February 18:

I have a very exhaustive report on the subject of tar sands, and I should be very glad to let my hon. friend have a copy of it. It indicates, however, that the location of the sands and the possibility of development is too remote to be of any great use in this war.

Mr. REID: Can they produce high-testing gasoline?

Mr. MacNICOL: Yes. What I have read is the minister's opinion, and I find no fault with it; it is not mine. Fort McMurray is 305 miles from Edmonton. By direct pipeline I suppose it is not more than 250 miles. At sixty miles down the river it would be only about 300 miles from Edmonton, and that is not far for a pipeline. It is, in fact, a short pipeline. We are bringing oil now from Oklahoma to Sarnia, a distance of not much less than a thousand miles. The British pipeline from Iran and Iraq to Beirut is not, I should think, any less than a thousand miles.

If we have the heart to produce oil in Canada, and if it is there—and our engineers say it is—then we should be producing it. We are now producing only about 9,000,000 barrels or less a year from all our fields, and I believe we have over 10,000 wells in Canada—or, I should say, we have had that many. I believe there are not as many now, but the fact is that from all our wells in Canada we are now producing about 9,000,000 barrels a year. However, we are buying not less than 50,000,000 barrels a year. A little later on I shall quote a great engineer's statement to the effect that the time may come when the oil wells will stop flowing. Let us remember in that connection that the oil sands would not stop producing their oil. According to our own engineers, their supply is inexhaustible.

What does our own expert, Doctor S. C. Ells, have to say on the subject? May I say in passing that he is one of the best officials with which any government has ever been blessed. I could enlarge upon that statement by saying that the more I meet our permanent civil servants, the more I am convinced that Canada has in her civil service very fine men and women. They are as good as the best, and thoroughly seized with the desire to serve Canada.

Doctor Ells says this:

Commencing in 1913—

I believe that is when the doctor commenced to make the investigation.

—the writer undertook an investigation of the bituminous sands of northern Alberta. The results of this work, subsequently extending over a period of some fifteen years, have appeared in numerous publications issued from time to time by the mines branch. The work undertaken and the results obtained, supplemented by laboratory studies by officers of the fuel testing division, may be briefly summarized as follows:

(a) The general character of the bituminous sand over a large area has been studied and many samples taken. These samples have been analysed and the physical and chemical characteristics of the sand and of the associated bitumen determined.

(b) Detailed topographical surveys of areas aggregating 1,260 square miles adjacent to Athabasca river and its tributaries have been completed.

That is a fairly extensive investigation. I believe that since that time some 10,000 to 15,000 square miles have been covered. I do not mean that the whole 10,000 or 15,000 square miles are rich in oil, like the sands at Fort McMurray. They are not, in fact; but there is a lot of oil in them. Whereas at Fort McMurray some of the sand fields are only forty feet deep, in other areas they extend to depths of 100, 150 or 200 feet. This goes to show that it is by far the most stupendous oil field in the world.

To quote further from Doctor Ells:

Upwards of 5,000 tons of bituminous sand has been excavated by the mines branch in connection with experimental work, affording information as to the methods best adapted for the mining of this class of material.

That was fairly good ground with which to experiment. At the present time the oil-sand in the area at Fort McMurray, on the Horse river, is being blasted. The engineer in charge while I was there, a man named John Byrum, for whom I developed a warm regard, seemed to be thoroughly posted. He told me that only a period of two minutes elapsed between the time I saw the sand in the pit until I saw the oil being taken off. Then, in about twenty minutes the oil is poured back to the refineries, and within seventy minutes it is refined. This goes to show that it is a very rapid process, almost as fast as pumping oil out of a well. I do not want anyone to think I am not proud of our oil wells in Canada, because I am. I would not want anyone to think I am opposed to taking oil from wells, because I am not.

If we have oil in sands, and can produce it, then I maintain we should produce it.

Doctor Ells goes on to say:

A study has been made of a number of processes designed for the recovery of the hydrocarbons from bituminous sand and results indicate that recovery can be readily effected by the use of heated water.

That is the way it is done. It is, in fact, a very simple process. The sand goes into a large revolving tank containing hot water at about 180 degrees. The tank revolves, and the hot water has a disintegrating effect on the oil sand. The product then goes into settling basins where it is again agitated, and in due course the oil comes through. Doctor Ells continues:

In the light of information now available it is clear that bituminous sand should be seriously regarded as an important potential source of solid and liquid hydrocarbons—

And of a long list of chemicals which follows in its wake. One of these chemicals is the ingredient required in connection with the production of synthetic rubber, which I shall discuss at a later stage.

He continues:

Actually it is as yet impossible to estimate accurately the potential production of petroleum products that may ultimately become available from Alberta bituminous sands. It is however known that that area underlaid by bituminous sand is not less than 1,500 square miles and the total area extent of the deposit is probably much greater.

And then the following:

Meanwhile results of field investigations by the mines branch indicate that at least 750,000,000 tons of bituminous sand can be mined by open-cut methods.

All these reports must be available to the minister. Perhaps these are the ones to which he referred the other day. Doctor Ells continues:

On a basis of 12 per cent bitumen content this is equivalent to 90,000,000 tons of bitumen or 500,000,000 barrels.

That has been enlarged to a billion barrels of oil.

Then, Mr. Max Ball, president of Abasand oil company, makes the statement in quoting Doctor Ells that the area contains a hundred billion barrels of oil. He is referring not to the Fort McMurray area, but to the whole area as far as the Peace river. He goes on to quote the United States bureau of mines, which places the figure at 250,000,000,000 barrels of oil. I think I have quoted enough to justify the statement that there is an enormous quantity of oil there, constituting a most valuable resource if a 100 per cent economical method is found to get it out. I make no comment on that, but they say that they can produce refined oil at $1.36 a barrel at the mines. Then taken out to Edmonton, it might reach a couple of dollars. Perhaps I should not quote these figures because I am not certain of them. Several other authorities have visited the area, including Doctor T. O. Bosworth, who was chief geologist of Imperial Oil, Limited, and he made the following statement:

In the district of McMurray on the Athabasca river, we have the largest natural exposure of oil in the world. It is interesting to consider the amount of oil in this territory. For this purpose we will suppose the area to be 15,000 square miles—

That is higher than Doctor Ells' estimate.

—and the average thickness fifty feet.

That is a lot of oil. The Alberta government estimates the bituminous sands of northern Alberta to contain 100,000,000,000 barrels of oil, while the United States bureau of mines places the figure at 250,000,000,000 barrels. An engineer named Gustav Egloff, of the Universal Oil Products company, in a speech delivered to the American Institute of Chemical Engineers at Birmingham, Alabama, had this to say:

One of the greatest known hydrocarbon deposits in the world to-day is that of the Canadian Alberta bituminous sands. The known bituminous sand deposits are estimated to contain over 100,000,000,000 barrels of bitumen.

I think I have quoted sufficient to indicate that men who should be competent to judge, including our own engineers, are convinced that there is a very large deposit of oil there. I see my time is about up, and I shall conclude with just one more quotation. Referring to drilling for oil wells, the chief geologist for the Anglo-Iranian Oil company is quoted as saying in January, 1940:

Using all geological and geophysical assistance, the average chance of success cannot be rated on a basis of experience, as better than one in ten. The new interest now being taken by American companies is based on the belief that American oil resources will not stand the present rate of production for many years.

Nobody can tell how long because oil wells give out. Again I would urge the minister to have the best engineers in the government service get together to make a survey and study the possibilities of developing oil in immense quantities from the sands of Alberta. I have talked with a number of them and I know they would be glad to do it. It is, of course, immaterial to me personally who develops these resources. I believe the government engineers should cooperate with the oil producers and say to them: "Here, gentlemen, are our reports." The government should then say to these producers: "We will give you so many square miles of these oil

resources, and you can go to it and produce the oil."

With regard to getting the oil out, it is not far, only 305 miles, to Edmonton. A pipeline of 250 miles in length would cost about $2,500,000. Again, it is only 800 miles to Prince Rupert. Calgary is only 450 miles away. The oil could be piped to Calgary, it could be pumped to Winnipeg, 700 miles away, and refined there too. The oil could also be taken to Churchill by pipeline; then taken by tankers to Moosonee, at the south end of James bay, and from there it could be brought by pipeline to Toronto, 900 miles away. We have in these oil deposits hundreds of billions of barrels of oil, but even if it were only hundreds of millions it would pay this country to develop these resources and become an exporter instead of an importer of oil.

One last word, Mr. Chairman, and I thank you for your courtesy. Before this war broke out there was an article in the press which stated that the German government or somebody representing the German government desired to run a pipeline from the oil fields of western Canada to the Pacific coast. Manifestly they had no intention of running a pipeline from Turner valley because no one would put in a pipeline of that length to transport 100,000,000 barrels of oil. I had the good fortune to meet a Mr. Goffatt who told me he had met the German oil geologist who investigated here in Canada after the geologist had just returned from the Athabasca area. They met on the train from Edmonton. During the course of their conversation the German geologist became tremendously excited over the immense possibilities that he saw in that region. That was in 1911 or 1912. The German geologist went back to Germany and came out again to this country in 1914; he was about to plan oil production when the war broke out, and that put an end to the matter as far as the German geologist was concerned. But the point I make is that the German geologist had been searching for oil all over the world and had arrived at the conclusion that this was the greatest deposit of oil anywhere in the world. I am not an oil engineer or an oil geologist, but I am interested in investigating and I do not mind what it costs me to travel in the course of an investigation. The only reason why I am here at all is to try to serve my native land. There is nothing in this personally for me. If I cannot do something for Canada when I am here, I am going to quit this house. I have no interest only to serve the country itself in which I was born.

[Mr. MacNicol.]

I do not ask the minister for an answer now, but I do ask him to think over what I have said and look over the reports he has, and then to appoint a board of our own engineers to investigate these resources. If the deposits are there in such immense amounts as we are informed they are, let us take any legitimate means under the sun that are required to bring about the production of oil in Canada so that we may become an exporter instead of an importer of oil, and further, in order that we may be of vital help to the empire in the event of all other sources of oil being cut off except those within the empire itself.

Mr. HOWE: I wish to thank the hon. member for Davenport for the constructive contribution he has made to the debate and for the valuable information he has put on *Hansard*. The position of oil development within Canada has, of course, been changed considerably by the events of recent months. I think most people had looked upon the tar sands of Alberta as a great reserve of oil for some future period when the more easily accessible oil resources would have been exhausted. But to-day we think of that same area as a source of immediate oil production, provided the problems connected with its development can be solved rapidly and with some degree of certainty.

An intensive study of the tar sands is under way at the present time. That study was organized by my department, and we have interested in it the leading oil engineers of this country, not only men in the public service and on the staff of the national research council, but also oil engineers from industry. We have interested Consolidated Mining and Smelting, who have had a good deal of experience in meeting mining problems in that area.

I may say that the mining of the sand itself is one of the major problems that has not yet been fully worked out. We have asked all these interests to prepare a report for the government and advise whether a development should be undertaken at this time and the extent of development which the conditions would warrant, whether we should proceed with a pilot plant or whether the situation is such that we can immediately develop on a considerable scale. I am expecting the report shortly, and appropriate action will be taken.

The government is also exploring the New Brunswick shale deposits to which reference has been made. The difficulty with this deposit was that until recently it was under the control of private interests. However, the

New Brunswick government have now secured the title, and the federal government is in partnership with the provincial government in making a thorough exploration of these shales to determine the probable quantity of oil available and the pertinent facts in relation to its development.

Arrangements have been made to develop further the wells on the lower Mackenzie at Fort Norman. Additional wells are being drilled, the refinery capacity is being increased, and a short pipeline is being installed to bring the oil across to the location of the Alaska highway.

There are proceeding with the government of British Columbia conversations which, we hope, will lead to an immediate and thorough exploration of the Peace River block of British Columbia, which is regarded as a very probable source of oil, and which is conveniently located to the railway for use on the Pacific coast.

I mention this to indicate that I share my hon. friend's interest in finding oil within Canada, and we hope that some constructive progress can be made before I report to parliament again.

Mr. McIVOR: Mr. Chairman, may I first congratulate you upon your gracious act yesterday in giving place to one of the fair ladies of this house? We in this corner say, "Do it again".

Before I came to this house I thought a good deal and said much about public ownership and who should share the profits. I knew then, as I know now, that any enterprise must have four parts: there must be the money or the capital to put into the enterprise; there must be the brains or the management to run it; there must be the men who will do the work, and there must be the consumer. I still believe that the man who toils should have his share of the profit; and my first observation with regard to the Department of Munitions and Supply is that I appreciate very much the way in which they have branched out into public ownership. There was nothing like it before in Canada: we now have full-fledged government owned companies manufacturing munitions, chemicals, aircraft equipment, and building ships. These are known as:

1. Allied War Supplies Corporation.
2. Fairmont Company Limited.
3. Plateau Company.
4. Small Arms Limited.
5. Federal Aircraft Limited.
6. Toronto Shipbuilding Company.
7. Wartime Merchant Shipping Limited.
8. Atlas Plant Extension Limited.
9. Wartime Housing Limited.
10. Research Enterprises Limited.
11. Melbourne Merchandising Limited.
12. Citadel Merchandising Company Limited.

I would say that these are the twelve apostles in pioneering along this line, in doing a job and filling a gap which could not have been filled by private enterprise, and I understand that there is more to follow.

Another thing I like about this department has to do with the announcement which was made the other day when the committee on war expenditures was being set up. The note was sounded, and very clearly, by two ministers, the Minister of Munitions and Supply (Mr. Howe) and the Minister of National War Services (Mr. Thorson), that "we have nothing to hide." I am sure the people of Canada welcome that statement.

I wish to make a suggestion which touches a tender spot. Somebody else has thought along the same lines, but perhaps it has not been put forward in the right way; perhaps, too, I may not do so. Near our aeroplane manufacturing plant at Fort William we have across the road a military training centre where there are about 300 men. There are two chaplains, one Protestant and one Roman Catholic, to look after these men. Just across the street is this plant, with about 5,000 men and women. I know that they have in this plant a splendid staff of matrons, good and efficient women. But I do believe that since these men, because of their work, which is done on Sundays as well as week days, are unable to get the benefits which are available to the ordinary citizen, there might be men appointed—call them chaplains if you will—by the Department of National Defence or the government of Canada who would meet these men at the noon hour and talk good Christian democratic common sense to them and give them something to think about which will encourage them to sweat up to their jobs and do the work the minister expects them to do.

Another thing I should like to speak about is the way in which these plants are looked after from headquarters. First, I would mention a small shell factory, the only one which was opened up locally since the war started. It has a contract to turn out 1,000 shells of about fifty pounds each a day; it has been turning out 1,500 a day, and those in charge are anxious to extend the plant. Why are they capable of this production? It is because the workers have the will to work and the management have the heart to back up the men in their work. There is thorough co-operation. The only difficulty I ever noticed was when two young ladies of the inspection staff said that they thought they should be paid more money—and I agreed with them. They were getting 33 to 35 cents an hour while other girls were getting 45 cents up,

and money paid by the government does not go any further than money earned in any other way. However, thanks to the action of the Minister of Labour, as soon as a girl is competent to earn, she will be paid according to her efficiency.

I know something about the car works. I practically grew up with its development. I believe it was in November, 1935, that I received an announcement from the late president that the plant would be opening. Of course I was anxious that it should be opened, because in 1935 we had many idle men; I did everything possible, and I bothered the Minister of Munitions and Supply a good deal. He was always courteous, and just as anxious as I was to have the car works opened. A year later, I believe early in 1937, the plant was being prepared for the building of aeroplanes. There were great difficulties to be overcome. They had great difficulties in the first year or two. It was not much better than a big school training young fellows from Fort William, Port Arthur and the surrounding districts, and they did it well. They wanted to make planes for Trans-Canada Air Lines, and I shall not forget the remarks of the minister when the executive in room 16 met him. He said, "If you can get the right to make a plane that has been tested and tried you will get an order; we are not out to take any risks with Trans-Canada Air Lines." He was wise.

I have found the management of Canada Car most courteous, kind and trustful toward me. In fact, they will allow me to visit that plant any day I have time and they will not send a guard to see that I conduct myself properly. I have seen a big corner at one time where young people were taken in and trained and paid 25 cents an hour, and when they were fit to do filing metal parts properly they were taken into the plant and their wages were increased. They cooperated thoroughly with the vocational school, and lent them equipment, and at one time the vocational school contracted to give them 1,500 partly trained young people by the first of June, 1941. The vocational school measured up splendidly and has been doing that ever since.

There is a union in that plant which has been doing things I never knew a trades union to do before. When anyone is ill and needs to go away they take charge, if necessary, and pay all his expenses. I have known them to pay sickness and funeral expenses in several instances. That shows that union 719 has a heart. It is also progressive. They produce a paper called *The Effort,* and one of the fine literary contributors has been, or at any rate will be, the present Minister of Munitions and Supply.

The first Hurricane that was made in Canada was made in Fort William, and it compared favourably with any made in England. I was proud to be at the testing of that plane, because it was a thrilling moment.

Certain things have been said about Canada Car which bother me a little and I am not satisfied until I see my way through anything. I have great respect for the member for Davenport (Mr. MacNicol). I think he has fine judgment and he has made many worthy contributions to this house. I hope he will be long spared to do the same. But I should like to quote what the hon. member said as reported at page 2352 of *Hansard*:

> That factory was building Hurricane bombers. I believe they were turning out about a hundred a month. They may have been turning those planes out for an English order; I do not know. However, for lack of orders they shut down on bombers, and remained shut down for six or seven months. This means that aeroplane facilities, for both defence and attack, for Great Britain and her allies, are short by six or seven hundred bombers they should have had—and could have had. Those bombers could have been made in Fort William. The plant has now started again producing.

I think I know the car works in Fort William, and if they stopped making bombers I am sure I would know about it. I do not think they have ever done so, but I am ready to stand corrected. I received a letter from the highest authority along this line after the announcement of the new order that came to Canada Car for 1,000 Curtis navy dive bombers. He writes:

> The production of new aeroplanes will require extensive tooling which will be placed in hand immediately.

That was January 24.

> Pending bringing the new planes into production, the Fort William plant will continue to produce the maximum number of Hurricane aircraft.

That means that they have not stopped. I have no doubt, however, that the minister can answer this much better than I can. I have heard members say in this house that there were idle workers. I know there are men in the Canada Car who must be idle, because you cannot keep them busy all the time. Take young fellows who run from one part of the plant to another carrying materials; you cannot keep them always busy but they must be there to carry on. They have to obey their orders promptly when issued. I have stood in an elevated position and looked down on those massive works, and I am sure that if anyone could

see much idleness there I would have seen it. I congratulate the management of that plant upon the splendid work they have done and the harmony that prevails in the plant at the present time.

The minister took time off to meet the executive of union 719. They had some difficulties because they had heeded certain rumors, but they showed wisdom in going to the minister, and he had no trouble in dispelling the rumors. The result was that they went away satisfied and said, "We have a great Minister of Munitions and Supply".

The other day I listened to the member for Témiscouata (Mr. Pouliot) as he said something about a submarine in the St. Lawrence. I am surprised at him when I think how the Department of Munitions and Supply is furnishing materials for every part of the world that is engaged with us in the war. If the hon. member for Témiscouata knows the manly art as I know it, he must know that when a man squares up to you, you will not let him get near enough to trip you up but will hit him before he gets close. That is what we ought to do, and the hon. member for Témiscouata and the group associated with him should change their minds and attack the enemy before he gets into the St. Lawrence. He should be stopped before he gets there. I suppose that if a submarine came up the Rideau canal his attitude would be different.

We must cooperate with the Department of Munitions and Supply with a view to keeping the enemy at a distance. I congratulate the minister upon the work he has done, and I hope he will take as coolly as possible any criticism which I may offer.

Mr. COLDWELL: I am not going to follow the hon. member who has just spoken except to say that the more aeroplanes we can turn out at this particular time, the better it will be for our war effort. I was disturbed some time ago by stories I had heard of the export of planes from Canada to countries that are neutral now but that may not be friendly neutral, or even neutral, if Hitler should march toward them. In order to clear up these rumours I asked some questions which were answered recently. The questions were:

1. Have any planes, particularly Fleets 16, been supplied since June 1, 1941, to countries which were, or are, neutral?

2. If so, to what countries and in what numbers?

I was surprised at the answers that were given because I was inclined to believe that the stories I had heard were merely rumours. They questions were answered thus:

1. Since June 1, 1941, one export permit has been granted for the export of aircraft from Canada to countries other than the British empire and the United States. The permit in question was granted on August 23, 1941, and covered 18 Douglas bombers owned by the Royal Norwegian Air Force and sold by them to the government of Peru. The planes were at no time the property of the government of Canada, and were only exported after being found unsuitable for the purposes of the R.C.A.F. and R.A.F., to whom they were first offered when the Royal Norwegian Air Force found them not suited to their requirements.

It strikes me as strange that Douglas bombers of any type could not have been used somewhere in connection with our own war effort. Having regard to the stories of the fighting at Singapore, Rangoon and elsewhere in the far east—we were told that on one occasion shortly before the fall of Singapore a fighter pilot went into the air in a machine described as an old crate and endeavoured to fight up-to-date Japanese machines—I felt that if we had in Canada planes of any type we should surely have used them in our own war effort rather than allow them to be sent to some other country.

Secondly I was told that immediately prior to June, 1941, a permit was granted for the export of ten model 16 Fleet trainers to Portugal for the use of the Portuguese navy. This export took place following consultation with the government of the United Kingdom, in view of the friendly relations existing with Portugal.

The question arises whether the policy followed in this matter by our government over a considerable period was a proper one. For years we were exporting raw material to countries with which we are now at war. Only recently we were permitting large quantities of copper, scrap iron and nickel to go to Japan. Now, of course, having sown the wind we are reaping the whirlwind. In my opinion, until the needs of the united nations are completely met, we have an excellent reason for refusing to supply neutral countries with war equipment that we may need ourselves. A few minutes ago the hon. member for Fort William (Mr. McIvor) referred to the complaint of the hon. member for Témiscouata (Mr. Pouliot) the other day that we had not been able to sight and stop the submarine in the St. Lawrence river. Perhaps such criticism is not fully justified; there is something in it. Surely planes of the kind to which I have referred, or at least the engines of those planes, could be utilized for patrol work along our own coasts, even if they were

not suitable for use in battle across the seas. I urge upon the government that they put a stop to this policy of exporting to neutral countries equipment and supplies which we ourselves may need.

We are not permitted to be given the figures as to exports of vital materials. We have been disturbed, for example, about shipments of antimony to neutral powers which at some time in the not far distant future might embarrass us because of their attitude in this war. We have no guarantee that some of these raw materials are not being transhipped from neutral countries or are not replacing similar material that is being shipped to nations with which we are at war. As one who was in Portugal for a few days last November I could not help observing that in the city of Lisbon there was a large number of Germans, with whom from time to time we rubbed shoulders, and that propaganda theatres were operating, open only to neutrals or nationals not unfriendly to the Germans. The hon. member for Rosedale (Mr. Jackman) and I one Saturday afternoon tried to get into a theatre to see a German propaganda film that was being shown to Portuguese officers and civilians, but because we were obviously English-speaking we were refused admittance. When we inquired of a Portuguese officer who spoke English as to the reason, he replied, after making inquiry at the wicket, "You are English." We replied that we were North Americans, and he said, "Well, that is the same thing." We were not permitted to enter. I say therefore that when we have equipment of this kind we should be very careful where we send it.

The government was quite right in answering the third part of this question by saying that it would not be in the public interest to disclose the extent and nature of aircraft exports to the United States, and I shall not make any further inquiry as to that.

I turn now to something which concerns this country. In April I was in the United States. I had been invited to address certain meetings, principally a teachers' institute in Michigan. While I was there I was much disturbed to learn that the prestige of Canada was not as high as it should be. There was a tremendous amount of criticism of this country. Just before I went to the United States I had read in the newspapers of an attack upon Canada by two commentators in Washington who complained of our attitude in relation to the Alaska highway and in relation also to air routes, for what I thought to be United States military aeroplanes, into the northern part of Alberta. I made some inquiry of the Department of External Affairs before I left here, so that if the matter did come up while I was there I would be in possession of the facts. I was glad I had done that because I found that the statements to which I refer had been widely publicized and were based on an entire misrepresentation of the truth.

The minister will recall that on March 13 a story appeared in some of our local newspapers with regard to a transportation problem that had presented itself, and I asked the minister a question about it on the orders of the day. The question was, as recorded on page 1288 of *Hansard* of March 13:

> I should like to direct a question to the Minister of Munitions and Supply. Has he seen an article in to-day's issue of the Toronto *Globe and Mail* blaming him for impeding the flow of war materials by United States trucks to eastern points across Canadian highways? If so, will he inform the house regarding the matters complained of in the article?

In his reply the minister gave the background of the story and the problem. I entirely supported the policy that was followed prior to the war, and will support that policy now if it is shown to be in the interests of Canada and the war effort of the united nations.

I hope the minister will not regard what I am going to say as personal criticism or even criticism of the policy. I say it merely because I want to get this situation cleared up. I believe and have always believed and have often said in this house that the railways of Canada are the lines of communication upon which this country has been built, that the railways are the bands of steel, as it were, which bind the provinces together and that we cannot afford to allow our railways to fall into disrepair or to be deprived of the sort of business that will enable them to handle the heavier and unprofitable freight that must be carried from one end of this country to the other. I have said, and I want to repeat, that I believe that the whole transportation system of this country should be under public control, and that when buses and trucks operate they should not be permitted to compete with and destroy the railway system upon which this country must depend for its major problems of transportation. They should be used to feed the main lines of traffic; they should be used to supplement rather than to compete with the railways of this country.

A violent attack was made in the House of Representatives of the United States a few days ago upon Canada and upon the Minister of Munitions and Supply in particular. I suppose their procedure is different from our own, because I imagine that if a member here were to begin to make an attack upon a public representative in the United States he would

be stopped. It would be considered to be a breach of the courtesies due to a friendly people. I am not going to read all this statement; I do not know whether the minister has seen it, but I shall give him the copy from which I read and ask him to explain the situation. If the explanation is satisfactory, then I think publicity should be given to the minister's reply. This statement was made by Representative John D. Dingell in the House of Representatives a few days ago.

Mr. MITCHELL: They do not necessarily have to make speeches; they can file them.

Mr. COLDWELL: That is probably what happened in this case. However, his remarks received quite wide publicity in the Detroit *News* and other newspapers. As I said before, I think there is much misunderstanding on the other side of the line of the situation in this country, and, if I may say so, something should be done about it. Every member of parliament and every public man in this country who receives an invitation to address a public body in the United States should feel it his duty to accept the invitation. I think that should be done by all of us who receive these invitations from time to time. The statement reads in part:

It must be evident and startling to the patriotic American people and their Canadian friends to the north, to learn that this one-man opposition—

That is the minister.

—is responsible for the loss of time in transporting essential war materials urgently needed at the front and that the time lost via the longer roundabout way along the southern shore of Lake Erie between the points mentioned of Port Huron, Detroit, and Buffalo amounts to anywhere from six to ten hours per trip, and it is conservatively estimated that there is a waste of 35,000 transportation days per annum, plus millions of tire miles and an additional uncalculated loss in the consumption of gasoline. The savings in mileage, mind you, between Detroit and Buffalo over the Canadian route, as compared with the longer all American route, is the difference between 261 miles and 365 miles or a saving over the Canadian route of 104 miles per one way trip. The difference between Port Huron and Buffalo, using an all American route, as compared with the short and direct Canadian route is the difference between 210 miles and 420 miles or a saving of exactly fifty per cent or 210 miles per one way trip.

That is the story told to the American people. I continue:

Why should the American people sacrifice the use of their automobiles, tires and gasoline? Why should they forego the comfort of oil heat in their homes this coming winter only to have these essentials squandered needlessly because of an unpatriotic, autocratic, and brazen attitude on the part of a railroad spokesman clothed in the official robes of Minister of Munitions and Supply? This selfish railroad opposition, centered in Mr. Howe as regards this question, is the very same opposition which stood in the way of the completion of the Alaskan highway so essential to the defence of the entire west coast of continental North America and which was only recently broken by the rising tide of adverse public sentiment. The delay incurred has caused incalculable loss and exposed our peoples to great danger.

At another point he said:

American tankers, and more important, American lives are being sacrificed every day to supply the deficiency caused by the useless consumption of millions of gallons of gas which could be saved by the use of the approved Canadian route.

Toward the end of his remarks he went on to say:

I think it is timely to suggest that this problem might become one for the congress to investigate. I am thinking, Mr. Speaker, that it may be well to consider the appointment of a select committee of the house with the power to summon such witnesses as Lieutenant-General William S. Knudsen, J. B. Eastman, Director of Defense Transportation, Milo Perkins, Chairman of the American Section of the Joint War Production Committee of the United States and Canada, and others, in order to obtain first hand information with regard to the stricture which exists. In concluding my remarks, Mr. Speaker, I want to make it clear that every responsible official—

I draw attention to this.

—of the governments of the United States and Canada who has examined the problem has agreed that this short Canadian route is essential and must be utilized.

The point I wish to make now is that on March 13, in reply to a question asked by me, the minister pointed out quite briefly the background of the situation. Ever since 1937 when our railways were in the doldrums and when we had cars of all kinds to spare he said that this organization of trucking interests has been endeavouring to get the right to transport across Canada goods which originate in the United States and are destined to points in the United States. The minister said, as reported on page 1288 of *Hansard:*

I may say, however, that the representations have always come from parties interested either in building the trucks or in selling the gasoline or operating a toll bridge or toll tunnel. I have never seen representations from potential users of the service.

Mr. STIRLING: Was any official reply to that statement made in the House of Representatives?

Mr. COLDWELL: Not that I know of. This was sent to me and I know of no official reply to it. Accompanying it was information to the effect that this important subject is and has been for some considerable time under consideration by the joint war production

board of the two countries, and that on January 26 our own Canadian section of the board approved the suggestion.

Mr. HOWE: Not true.

Mr. COLDWELL: Not true?

Mr. HOWE. No.

Mr. COLDWELL: And on March 16 the joint board approved the suggestion on the ground that the United States railways and highways cannot handle the war material originating in Michigan and destined for Buffalo and points beyond.

I express this opinion: If it is true that the United States railways cannot handle the traffic; if our Canadian railroads cannot handle the through traffic and there is a material saving in mileage and in every other way in transporting munitions by the Canadian route, we should give not only every consideration to but every facility for the movement of war goods by a Canadian route. I do not know what the railway situation is in this country. I have with me a statement showing that there is a shortage of railway cars, trucks and so on in the United States, for the movement of such goods. I understand that recently the United States railways asked congress for 218,000 additional cars for this year to enable them to move the material which must be moved at this time. My information is that they were allowed 18,000, as a matter of fact, and that this year they have notified Mr. Eastman that they require 380,000.

I do not know what our railway situation is. I do not know whether the Canadian lines from Detroit east to Buffalo are able to cope with an additional amount of traffic of this description. But I do think that if the situation is as has been outlined in this representative's speech, that is to say that the American roads are congested, the railways overburdened, and the haul 50 per cent greater through the United States, some plan should be worked out to give them the right to move these goods through Canada via a Canadian route. But may I add that under no circumstances should any group be allowed to use the war as a lever to get into this country and to utilize the Canadian route for their own purposes when the war is over. If they have a case in this time of war, and if the statement as I have read it to the committee can be substantiated, I am sure we should do something to meet the traffic congestion and to assist them by the use of the Canadian route.

This I want to say again, that we should do nothing at this time which would in any degree alienate the sympathy or opinion of any of the people of the United States. I feel that there has been misunderstanding—and graver misunderstanding than I was aware of until very recently. This kind of thing, allowed to go unanswered if it is wrong, and unmet if it is right, is doing a grievous injury to Canada, to the relations between our two countries and to our war effort generally. I hope the minister will be able to clear up the points which have been raised in the United States House of Representatives.

Mr. HOWE: I find myself a little confused by the statement of my hon. friend. I thought he was strongly pressing for the opening of the route for United States trucks, up to the last two or three minutes of his speech, at which time he seemed to reverse his position.

Mr. COLDWELL: No, no; I was not doing that at all. I thought I had made my position clear.

Mr. HOWE: Does the hon. member suggest they should go through?

Mr. COLDWELL: I am drawing attention to it only in the public interest. I am not in a position to judge as to the merits of the case, and I am not taking any sides.

Mr. HOWE: I see.

Mr. COLDWELL: I wish the minister to understand that clearly. I believe the matter should be cleared up in the public interest.

Mr. HOWE: All right. I have given a brief outline of the position to which my hon. friend has referred. Of course the bringing of my name into the discussion, so far as the press from outside is concerned, is purely gratuitous. As Minister of Transport from 1935 to 1939 I presented to the government the views of the railroads. I was myself virtually a railroad man at that time. In 1939 I was transferred to the Department of Munitions and Supply, and the subject does not affect in any way that department. It is a matter really for the Department of National Revenue. An order in council or a change in customs regulations is necessary, and I assume the only possible opposition to it would be from the railways. But certainly, incidental to my position as Minister of Munitions and Supply, I have no views at all. Whether a change in the customs regulations was made or not would not affect by one iota the operations of the Department of Munitions and Supply. The view, of course, has been that of the government, and to single out one particular member of the government and call him a one-man bottleneck is more or less gratuitous.

The fact of the matter is that a group of Canadians are promoting this monopoly in transportation across this particular stretch

of territory. They were very active in Canada for two or three years, and then they discovered that much more effective propaganda in Canada could be carried out from the United States, with the result that for the past two years the headquarters of the organization has been in Washington.

The inventor or sponsor of this project was a man named Corelli, a Canadian born in Winnipeg, and associated with the automotive business, first in Montreal and I believe later in Toronto. He conceived the idea that a material saving in transportation costs could be worked out by diverting highway traffic between Buffalo and Detroit over the Canadian highways, and that the shorter distance would permit a profit being made by whoever had a franchise to operate the shorter distance. He organized a company called International Highway Forwarders Limited. I believe his principal associates were the British American Oil Company, General Motors, and one or two others. I mention the fact that they were interested in selling gasoline or motor trucks. I believe everyone concerned had some rather direct interest in the affairs of the company, in that way.

Representations were first made in 1936. In the session of 1937 a bill changing the customs regulations was introduced in the senate. It did not however emerge from the senate. I believe it was 1936-37, although it may have been 1937-38, that I appeared before committees of each house and, as it was my duty to do as Minister of Transport, expressed the views of the railways. When the company moved to Washington some United States interests were added.

I think one man is either the president or the director of the Peace bridge, and there are other interests of a similar nature. Arrangements have been worked out, I think, under which International Forwarders Limited have a contract with a very large number of trucking concerns in the United States. The first plan was that the Canadian company would have its own trucks and drivers and convey the vehicles across Canada, but I think the present arrangement is that International Forwarders Limited will furnish the drivers for the American trucks and drive those trucks across Canada for a fee.

There are other features besides competition with the railways. There are five lines of railway between Buffalo and Detroit, operated for the most part with Canadian crews. In a time of depression it is something to think about, to set up a competing line of trucks with no investment in the route and a free franchise to divert as much traffic as possible to the highways. It is also something to think about to set aside a certain section of our country to be a bridge between two large industrial centres. The passage of trucks across this strip of territory would bring no prosperity to that territory. The people there would simply be residents on a bridge between two large cities. The highways there were not built for traffic of the kind, and various opinions are expressed as to whether they are suitable for continuous heavy truck traffic. I believe a report has been produced on the other side of the line which indicates that the highways are suitable. The chairman of the transport commission is making an investigation now on behalf of the Canadian government of all aspects of the situation and I assume his report will express an opinion on this subject.

It is a situation that has some very attractive features. On the other hand I do not like—this is only a personal view, and I have never expressed it as a reason why I do not want to see this traffic—a little group of citizens setting up a monopoly on our highways. I do not think that is a desirable way to use the public domain. I also dislike very much condemning people who live along the highway system which would be used under this proposal to be faced with a steady stream of heavy trucks over the highway which their children must cross, and which they also must use for access to other places. These are the objectionable features. Whether they are sufficient in a time like this to be maintained, I cannot say. The government has asked the chairman of the board of transport commissioners to conduct an inquiry into all phases of the situation and report to the government what action ought to be taken. That report will be presented shortly, and the government will take such action as it may consider wise.

Mr. BROOKS: Have any official representations been made by the United States government that this traffic be allowed?

Mr. HOWE: No official representations. Unofficial representations have been made from rather high quarters, but nothing in an official way.

Bringing in the Alaska highway was, of course, purely gratuitous. The facts about that highway are these. We received an inquiry from the United States as to whether arrangements could be made to survey a route across Canada. We answered promptly, almost the same day the inquiry was received, and gave a favourable reply. We were ready with our tractor trains to take in gasoline to permit the survey to be made as soon as a decision was arrived at. As soon as the United States decided to make a survey we cooperated in

every way possible. There was never a doubt in anyone's mind that if the United States wanted a road across Canada, Canada would do all it could to make that road feasible, and that is being done. Canada has acquired the right of way for the road and is assisting the United States in every way to carry out its plans.

So far as the use of the airways to Alaska is concerned, it has been understood from the time Canada entered the war that the Alaska air route, which was built by Canada—the airports are the property of Canada and have been developed as part of a very important air route—should be free for the use of United States military planes. There is an international convention which provides that if a civilian plane wishes to use that route permission must first be obtained from the state department of the other country. A plane from the United States entered Canada without any permission being asked. It had radio equipment, and it was announced at Winnipeg that it was to do transport work for the United States government between Edmonton and Alaska. We thought we would like to know a little more about this, so we grounded the plane at Edmonton and made inquiry of the United States government and asked what this was all about. I happened to be going to Washington at the time and I made personal inquiries there. I found that everybody there had assumed that someone had asked Canada for permission for this plane to fly, and it was explained that the army wished to engage this air line to do certain transport work. The necessary permission was given that very day. I telephoned back to Ottawa and was able to convey full permission to the army to use this civilian transport company. The whole delay amounted to only about four days, and was caused by the fact that no one in the United States had advised Canada what she wished to do in that connection. My hon. friend knows how these stories get abroad. Canada was in the war when the United States was at peace, and the isolationist element in the United States thought it good business to advance their cause by very unfair criticism of Canada and its war effort. But I think that everyone in an official position in the United States fully appreciates what Canada is doing in the war. I may say that we have been able to be very helpful to the army and navy and air force of the United States from the fact that we had been in the war longer than they had, and had our production of munitions and war equipment further advanced than theirs. I think that that help has been appreciated as the finest sort of cooperation in war production between Canada and the United States. We confer with the United States authorities frequently and have a number of joint committees which are working on common problems. But there is a weakness in our publicity arising from the activities of the isolationist press before the United States entered the war.

I agree with my hon. friend that no opportunity should be lost by Canadians visiting in the United States to correct any wrong impression that might prevail over there, either by speaking in public or otherwise. I myself spoke before the Boston chamber of commerce three or four weeks ago in an address which was broadcast over the New England network, and I received an astonishing number of letters from people who were surprised by what I was able to tell them about Canada's war effort. Hon. members will do a real service to Canada if they accept every opportunity to do likewise.

I hope I have covered the ground my hon. friend wished me to cover. The matter to which he refers is being examined in the light of the war situation. Of course he will understand that any army truck or any war truck can pass freely. It is purely a matter of shipping merchandise in bond over that route.

Mr. COLDWELL: It would be war material, would it not? That is what I had reference to.

Mr. HOWE: I suppose it would be any material; it is any material that would be required to pay duty in Canada. Of course there are certain classes of war material that could pass in any event, because the goods would not be dutiable, into Canada. Any goods can move that way if those concerned are willing to pay duty at one end and get a refund at the other end. It is simply that they wish to pass the goods through in bond. But I understand the permission that is being asked for is for any goods to move from one point to the other, whether war materials or not; and I do not know whether we can distinguish between what are war materials and what are not, because most materials may be used either for one purpose or the other.

Mr. COLDWELL: Merchandise consigned to wholesale or retail companies doing business in other than war materials would not be war materials. Goods consigned to factories or organizations doing war work might be considered as such. All I can say is that I hope consideration is being given to this matter, and that if it has merit, the request will be granted; if it has not, I hope it will be refused.

Mr. ILSLEY: I do not think I can add anything to this, but I am going to give something of my own experience in this matter.

As the committee knows, I was Minister of National Revenue between 1935 and 1940, and it was upon the Minister of National Revenue that the lobby converged for the concession desired. There is a section of the Customs Act which provides that goods can move in bond in Canada only on railways. That is an old section, and it has been argued that it is obsolete and should be amended. On the other hand, the customs officials of the Department of National Revenue have always felt that there were solid reasons for the maintenance of that section in its present form. The reasons are these: that if goods move in bond on a railway the cars are sealed; the minimum crew of a train is five, I think; the train is always on the tracks and you always know where your goods are; whereas, if goods were permitted to travel around in Canada, and through Canada, by truck coming in at one point and going out at another, the danger of goods on which duty had not been paid going into circulation in the country would be very greatly increased. That was the argument which was always advanced by the officials of the customs division, when I was Minister of National Revenue, against any change. Added to that was the undoubted wish of the railways, and I may say that the representations were not all on one side. In the year when this lobby was at its height we received numbers of resolutions from railway workers' locals along the line of the railways; and I know the Canadian National Railways were very much disturbed at the prospect of an alteration of the rule that foreign goods on which the duty has not been paid, which have not entered in customs, should not move other than on the railways—and this for obvious reasons.

In two years the representatives of the interests who wanted to get this concession came to Ottawa and did everything they possibly could to have that section of the Customs Act amended. I remember that on one occasion they brought along a large red truck, parked it outside the parliament buildings here, and invited myself as Minister of National Revenue, and perhaps other ministers, to inspect the truck and satisfy themselves that it was safe to move goods across the country in that type of conveyance. There was one year when a bill was introduced in the senate; it went before one of the senate committees, and conflicting representations were made. But the view of the government always was that the relevant section of the Customs Act should not be amended.

As my colleague has said, there is no reason in the world why he should be singled out for attack in this manner. The natural target is the Minister of National Revenue, although I am not suggesting that he should be attacked. I believe I took full responsibility during the years when the matter was before the government for deciding not to recommend an amendment of the act. Whether there has been a change in conditions recently which would justify a change in the law I do not know, but the committee should not be under the slightest illusion as to the reasons behind the agitation. The only reason I have for speaking now is to add my testimony to what my colleague has said. The reasons behind this agitation are those of men who want to make money out of getting the use of these highways for the running of their trucks.

Mr. COLDWELL: May I interject this? I am not asking that anything should be done that would give these people entry into Canada. If we can assist in the movement of war goods across Canada, well and good. Anything which is done will be done, I hope, only as a war measure and for the duration of the war, and then only if we cannot handle it in any other way.

Mr. ILSLEY: There are two other matters to which I want to refer briefly. The hon. member for Dufferin-Simcoe (Mr. Rowe) this afternoon, on the orders of the day, corrected a statement which he made last night in reference to the number of subscriptions for victory loans. His speech of last evening, while not precisely accurate in regard to the figures, was substantially so; but the correction he made this afternoon is substantially incorrect. I have had a word with him, and I think he is satisfied that that is so; it was an inadvertence on his part. I should like to put on record the true figures. I am assuming that the population of Canada is 11,420,084: that is the preliminary census total as released by the dominion bureau of statistics. On that basis the ratio of subscribers to population for the first victory loan was 8·48 per cent, and for the second victory loan, 14·72 per cent. The number of subscriptions in the first victory loan was 968,259, and in the second victory loan, 1,681,525.

The other matter I wanted to mention is one which was being discussed early this afternoon, and that is an alleged agreement between an official of the Department of Munitions and Supply, the director-general of aircraft production, and treasury officials or the

treasury, to the effect that certain expenditures by companies would be allowed as part of their costs of production or part of the overhead. I made very careful inquiry, and I am assured by the comptroller of the treasury that no agreement of that kind was made. He has made inquiry also of his officials; and therefore all that I can say is that there must be some mistake about there having been any arrangement with the treasury that these particular expenses would be allowed as part of the overhead. It may be that they would have been on general principles, and it may be that some discussion of general principles took place or some assurance in regard to the general rule was given; but that is a matter as to which an opinion could not be formed until the actual expenditures, whatever they were, came in. They would be subject to review, subject to audit by the officers of the treasury, but I do not want it to go out to the public that this particular class of expenditure was the subject of any agreement between the treasury and anybody.

Mr. BLACK (Cumberland): First of all I wish to congratulate the hon. member for Davenport (Mr. MacNicol) upon his constructive address this afternoon dealing with the oil resources of Canada and the possibility of developing oil sands. He has gone to a great deal of trouble and taken a good deal of time, and altogether he shows commendable interest in personally examining these oil resources. I am glad that the minister has taken steps to see if these can be developed as a war necessity, as a great Canadian resource for the future. I am also pleased that the minister and his officials and engineers are investigating the oil shales of New Brunswick. I hope they will also be developed. I pointed out yesterday that there were also extensive oil shales in Nova Scotia, which to some extent have been explored. They are to be found in different parts of that province, in the county of Pictou, in Antigonish and other places. I believe there are great possibilities.

While discussing the matter of oil and gasoline, I think the minister should make a statement—I do not believe it has been made officially yet by the oil controller—as to the position of tourists entering Canada, more particularly in the maritime provinces. Some publicity has been given to the statement that they will be allowed only twenty gallons of gasoline on coming to Canada. If that is correct, it will mean that they can cover only three or four hundred miles, and that would completely destroy the motor tourist traffic in Nova Scotia, Prince Edward Island and other parts of Canada in the coming year. If that is necessary owing to the exigencies of the war we shall have to abide by it, and the traffic will have to be diverted by rail; but it would be well for the minister to make a definite statement. There are many people depending on the tourist traffic, and they have to make provision for the coming season.

I wish to refer now to the discussion with respect to Mr. Ralph Bell, director-general of aircraft construction. May I pay him my respects and express my appreciation of the wonderful energy he has shown and the great accomplishments he has achieved in connection with the aircraft industry of Canada. Canada, the empire and democracy the world over are under great obligations to certain men. Among these are Lord Beaverbrook and, in a not much lesser degree, such men as Mr. Ralph Bell. There may have been some indiscretions; his methods may have been a little more direct than others, but his purpose cannot be questioned. When one realizes the responsibilities that have rested upon him since he has been in this position, one must be amazed at what he has accomplished.

The minister said that the aeroplane industry had increased four hundredfold.

Mr. HOWE: I should have said forty, and I had the correction made.

Mr. BLACK (Cumberland): I would almost accept four hundredfold as correct, because in some particulars it is correct. Even if it is only fortyfold, it is an immense expansion, and that falls largely under the responsibility of Mr. Bell. One cannot realize the difficulties under which he and those associated with him have laboured in this connection, building these plants from the very beginning, having them established, with one or two exceptions, as new plants, getting the personnel together, accumulating the materials, and so on. This has been a great undertaking. After the designs have been fixed upon, jigs constructed, materials obtained, delays and disappointments overcome, the planes are constructed so that they will be worthy of the Minister of National Defence for Air Services and our splendid airmen, who are in the forefront of the fighting wherever our battles are to be won.

The immensity of the work carried on by the aircraft industry can be realized only when one considers the total figures. I go to the *Financial Post* for these figures. I am sorry that many of them are not available to hon.

members. We are under obligations to the *Financial Post* for much information that is adduced in the house. In the edition of April 25, just a few weeks ago, it was reported that the aircraft industry had already totalled $391,719,381, and that the new orders that have been placed since the beginning of the year, the first three months of 1942, total the enormous sum of $86,500,000. Mr. Bell's purpose was to build up the morale of the aircraft industry, and we are all in agreement with him in that purpose.

In the town of Amherst we have accomplished a great deal. We were the last, I believe, to undertake the construction of the Avro-Anson, and we were the first to have machines, built in that plant, flying. I have been waited on from time to time by representatives of the workmen there, and one of the last statements they made to me was that without additional help they would be prepared to increase the output of that plant very materially if they could get the materials in sufficient quantities and if a few changes were made. They are as anxious as the minister and the director-general of aircraft production to get production, and while a pep-up of morale may help the industry in Amherst, I do not believe it is necessary. I believe they are anxious to do all they possibly can.

We are all agreed that one of the greatest responsibilities rests on those who have to supply materials and direct the aircraft industry, and we are deeply obligated to Mr. Bell and his associates for what they have done, for the present programme, and for what we expect they will do before the termination of the war.

The minister in making his statement gave figures of capital assistance to war industries. He stated that it had reached 380 million dollars. About a year ago I understood him to say that capital assistance to war industries amounted then to 268 million dollars. In November in his statement to the house it was 550 million dollars. So I do not reconcile the figure of 380 million dollars. I do not think he gave the portion of the two billion dollar appropriation that is earmarked for the Department of Munitions and Supply. It was stated that 997 million dollars was earmarked for the army, 259 million dollars for the navy and 585 million dollars for the air force, plus 40 million dollars contributed by the other members of the commonwealth air training plan, a possible additional 300 million dollars which the Minister of National Defence for Air (Mr. Power), said would probably be required, and 21 million dollars for sundries. I see the minister's figure is in this report of March 17, 335 million dollars for the Department of Munitions and Supply.

These are enormous figures, but hon. members willingly vote these estimates if they are being used for the main purpose, that is winning the war. The minister also reported that he had expended, from the beginning of the war up to the present time, four billion dollars. These are enormous sums and the people of Canada have accomplished a great deal. I am not in entire agreement with the hon. member for Inverness-Richmond (Mr. McGarry)—although I usually agree with him—when he said that sufficient consideration has been given to the outlying parts of Canada and to Nova Scotia in the distribution of war industries. Much more could have been accomplished, and I believe that in fairness much larger expenditures should have been made in Nova Scotia and other outlying parts of Canada. At this time the minister and the government could very well adjust the inequalities in industrial enterprise in Canada by locating industries in the maritime provinces, that have suffered grievously in regard to industrial activity. Twenty-five years ago there were many small industries in Nova Scotia that were more or less prosperous. They have carried on under great disadvantages in recent years, due to the growth of mass production in central Canada and the tendency of the big industries to absorb our smaller industries and to dump their products in the outlying parts of Canada, making unfair competition for our local industries. There are many industries necessary in a time such as this to produce special war supplies, industries that would have some surviving or permanent value after the war, industries that must be sponsored or encouraged by the government; such industries should be located in places like Nova Scotia.

With regard to the matter of shipbuilding, while much has been done in the last six months or so I still feel that sufficient consideration has not been given to the old shipbuilding province of Nova Scotia. I agree with the statement of the hon. member for New Westminster (Mr. Reid), that ships and more ships are needed to-day. Last session I repeated the call made by Lord Beaverbrook to the four corners of the earth that ships and more ships are required, appealing to the people everywhere to supply ships. I said at the time that more consideration should be given to Nova Scotia in respect of shipbuilding, wooden shipbuilding, using Nova Scotian raw materials rather than teak, mahogany and imported woods, and using diesel-engine power. While we do not want to waste money

or make unnecessary expenditure, I believe it is in the interest of the situation we have to face that more activity be shown in this connection.

Senator Duff protested against the refusal of the department to undertake a wooden shipbuilding programme in Nova Scotia. He said, as reported in the Halifax *Chronicle* of March 26, 1941:

With proper men in charge of the effort, there was no reason why fifty Nova Scotia shipyards "from river John around to the Parrsboro shore" should not be started on wartime shipbuilding within a month's time. . . .

The senator advocated the building in Nova Scotia of not only wooden corvettes, minesweepers and patrol boats, but also "small cargo boats propelled by sail and diesel engines capable of carrying between 1,500 and 2,500 tons of cargo." Despite the preference for steel ships, the urgency of the situation would undoubtedly make a place for wooden cargo ships in the war effort, he said.

Wooden ships have three great advantages in the present crisis, Senator Duff argued.

I quote Senator Duff because he has spent his life in connection with shipping and the sea.

I want to commend the minister, although he was perhaps a little later than some of us would have liked, for what has been done in resurrecting the steel plate mill in Sydney. That mill, I understand, is now producing plates for shipbuilding. I hope that further shipbuilding yards will be established in Nova Scotia. I understand there is one in construction now, perhaps two, and if more interest had been shown earlier in the war I believe steel shipbuilding in Nova Scotia could have been increased manyfold.

We have no record of what has been done in the different parts of Canada as regards shipbuilding, and I was disappointed that the minister refused to give any reply to a question that I asked in the house on this subject. On March 25 I made these inquiries with respect to shipbuilding, as reported on page 1615 of *Hansard*:

1. What is the number, the total tonnage and the estimated cost of all ships ordered built by the government of Canada or by any other government to be built in Canada of 100 tons capacity or more for commercial purposes, since September 10, 1939, in each of the following provinces, (1) Nova Scotia, (2) New Brunswick, (3) Prince Edward Island, (4) Quebec, (5) Ontario, (6) British Columbia?

2. What is the number and the total tonnage of all ships launched in each province to March 14, 1942?

The minister's reply was:

This question asks for total production in a certain line of war effort. I have no objection personally to giving the information, but we have been asked specifically by the British government, and an agreement has been entered into on the part of the British government, the United States government and the government of Canada, not to give total production figures of war materials.

This is information to which hon. members are entitled. I do not see, in view of the announcements made concerning the shipbuilding programme, why hon. members are not entitled to at least some information in respect of this very important matter.

In the *Financial Post* that I quoted a few minutes ago it was stated that the shipbuilding being undertaken in the first three months of this year represents an expenditure of $86,500,000. I have here a semi-government publication, at least one that is sponsored by the government, that is issued under their patronage. The April issue of the *Canadian Geographic Journal* states that 154 cargo boats, 153 life-saving craft, 1,059 life boats, 614 light craft, 300 steel naval craft and 925 patrol boats have been built. These figures include 154 cargo boats of 10,000 tons deadweight, and 18 cargo boats of 5,000 tons. The total cost was $275,000,000.

They indicate where these ships are being built. It would seem that information is given out indirectly through these government or semi-government publications and through newspapers and periodicals which we are denied in the house. I feel we should have this information, at least to a greater extent than we have up to the present. There are many places in Nova Scotia and the maritime provinces where shipbuilding activities could be undertaken and I believe splendid results would be obtained.

I am most sympathetic with the minister in solving the problems that arise in connection with the Department of Munitions and Supply. The people of this country and the members of this house have given him unbounded support. I think the members of the house have been of assistance to him by pressing for further activities with respect to shipbuilding, with respect to tanks, with respect to aeroplane engines, with respect to aeroplanes and many other war manufactures. It is the task of the members of this house and the members of the official opposition to be helpful to the Minister of Munitions and Supply and to all the defence ministers in carrying out their responsibilities in this war. If there has been any criticism it is that they have not proceeded fast enough, that they have not done enough, that they have not been as frank with us as they should have been in giving us information as to the requirements of the army and the other services. The members of the opposition are anxious to contribute to the uttermost in assisting the government in the

responsibilities that are theirs in carrying on the war. I am appreciative of what the Minister of Munitions and Supply has done. I sympathize with him in the responsibilities that have arisen and I often wonder how one small head can hold all that the minister knows.

Mr. ROWE: Mr. Chairman, on a question of privilege, the Minister of Finance has made a statement, and before he made it I discussed with him the remarks I had made. In looking over my notes and in looking over the press report I am now in the position of asking that a correction be made of a correction. I now find that the figures I gave last night were as reported in the press, and I therefore ask that they remain as given. However, I thank the minister for the official information he has given.

Mr. HOWE: I think I should reply to the hon. member for Cumberland (Mr. Black) particularly in regard to the gasoline situation in the maritime provinces. I have no personal knowledge of the Nova Scotia shales, but I shall be glad to refer his remarks in that connection to the oil controller with the request that he send me such information as is available. With regard to tourists, the present situation is that the tourist will be given a book containing four coupons when he crosses the border. My hon. friend says that he is to be given twenty gallons of gasoline, but that does not follow automatically; he will be given four standard coupons.

Mr. BLACK (Cumberland): To-day that would be twenty gallons?

Mr. HOWE: Yes, but to-morrow not so good. I am sorry to say that the situation in the maritime provinces has deteriorated to such an extent that the oil controller finds it necessary at midnight to-night to cut the value of coupons in the maritime provinces to two gallons. We hope that this will be temporary and that the value of the coupons can be increased. But there just is not enough gasoline to go around.

Mr. BLACK (Cumberland): Does that apply only to the maritimes?

Mr. HOWE: Yes, that is all. In order to work out the situation without hardship, in order to distribute fairly what gas is available to the motorist, it is necessary for the time being to honour coupons only to the extent of two gallons. The authorities in the United States quite reasonably take the view that if they are curtailing their travelling for pleasure in the United States, it is not desirable for United States citizens travelling in Canada for pleasure to have any better treatment than they would receive at home. Similarly, I think our own citizens would resent the use of gasoline for pleasure purposes by tourists when gasoline for pleasure driving in Canada is being severely restricted. What can be done for the tourist beyond the four coupons that he is given at the border will depend on circumstances. If he has come to Canada simply for pleasure driving I doubt if anything further can be done for him, but if he is travelling to a summer home in Canada, it is probable that provision may be made to take him to his home and bring him back by his giving the proper information to the nearest representative of the oil controller. I do not wish to be too definite about that, but I believe that is the present situation.

I am glad my hon. friend has mentioned the director general of aircraft production, and I think that every word he said about Mr. Bell is well justified. It is unfortunate that a man with the temperament of Mr. Bell finds it difficult to abide by the conventions of government business. He occasionally makes an indiscreet slip of the type which has been discussed by the committee, but those slips are made wholly from his desire to get on with the job. He is a little impatient with our red tape, and I think hon. members should view the situation in its true light, which is just that.

With regard to shipbuilding in the maritimes I may say that we are anxious to build more steel ships there than we are building. We find it impossible to get sufficient staff to man the two largest shipyards, the Halifax shipyard and the Saint John shipyard, in order to enable ship construction to proceed while ship repair work is being done. We have made every effort to bring these staffs up to the point where both shipbuilding and ship repair work can proceed. Experience has taught us that up to this time this has not been possible. Naturally when repair work is required it must take precedence. The quickest way to get merchant tonnage is to repair the ships you have, rather than to divert men to the building of new ships. I cannot believe there is any supply of shipbuilders in the maritimes that has not been tapped. If there are such men able to work on ships, men who might be called ship mechanics, I urge them to report to Halifax, Saint John or Pictou, where they will be welcomed. They are badly needed in the existing yards and will be put to work immediately. I can see no purpose whatsoever in opening additional shipyards, when we cannot man the yards we have.

Mr. BLACKMORE: If the men so report, will provision be made to cover their expenses from wherever they happen to be to the point of operations?

Mr. HOWE: I think any shipyard in the maritimes would be glad to pay their fares there. The Saint John Dry Dock Company advertised in every western paper that they would do that for anyone in the west. I believe inquiries should be made, however, as to whether they are still willing to do it, and I would suggest that if my hon. friend knows of anyone who wishes to travel there he should ask that person to communicate with the Saint John Dry Dock company.

Mr. BLACKMORE: It would relieve the men of all that anxiety if they would also pay their fares back, in the event of their being rejected.

Mr. HOWE: I do not know that that is exactly fair. The men offering themselves should be fairly sure they are able to do the work, before they put the company to the expense of transportation to the maritime provinces.

Mr. BLACKMORE: Otherwise the men would have to bear the brunt.

Mr. HOWE: We do not like people to come down as tourists. If they can do the work, then they should work. We do not want to encourage the tourist industry in that way, simply by saying that if they do not like the looks of things they may go back, and have their fares paid.

Mr. BLACK (Cumberland): There is one thing I do not understand in connection with the shipbuilding programme. We are very grateful to British Columbia for what has been done there, but I do not understand why there should be seventeen of these yards established in British Columbia, when in Nova Scotia this work is so belated. It places eastern Canada at a great disadvantage, and I do not understand it.

Mr. HOWE: Offhand I would say there are more yards in Nova Scotia than in British Columbia. I believe there are more than seventeen yards building some kind of ships in Nova Scotia at the present time, and I understand those yards have been busy continuously since the shipbuilding programme was begun. Many ships have been built in the maritime provinces—although I have not the figures before me. I dislike breaking down the figures by provinces, because, after all, this is Canada's war effort, and it does not matter much to Canada's war effort whether they are built in one place or another.

Mr. BLACK (Cumberland): We are grateful to British Columbia for what they have done, but I think more might have been done in Nova Scotia.

Mr. HOWE: But I say if there is any man in Nova Scotia able to work on a ship, he could do the war effort a great deal of good by reporting to one of the three big shipyards, where we have been continuously short of men.

Mr. GILLIS: Would they have to be skilled men?

Mr. HOWE: If they are able-bodied they can be trained; that is my opinion.

Mr. McGARRY: I understand that in these days ministers responsible for the prosecution of the war are looking around for facilities, and for raw and manufactured materials to contribute to the war effort. Is the minister aware of the fact that at Glencoe, in my constituency, there is a large deposit of magnetic ore proved, by analysis, to be of very high quality? A man has been paying the rentals on the leases for several years. Last year the Dominion Coal company became interested in the area, did some work and, in fact, produced some ore. I was talking to the engineer of that company, and he told me that a large amount of the ore could be recovered by surface mining.

A few days ago I received a letter from the man holding the leases stating that the Dominion Coal company have given up their interest in the property, and that he is now prepared to produce a thousand tons weekly. I have no doubt he has made the same submission to the hon. member for Cape Breton South who, I am sure, will have something to say on the matter. The man in question is seeking some assistance from the Department of Munitions and Supply and, as he points out, that assistance would not need to be very great. If assistance is not given it would appear that this man, who has been carrying the leases for a number of years, will likely have to surrender the property to the Dominion Coal company.

I would ask the minister to take the matter under consideration, and see if something could be done, or some assistance could not be given this man who has continued to hold on to this valuable property.

He is not asking for very much to-day, but wishes only the initial facilities necessary to bring about a production which, I have no doubt, can be greatly increased in the future. Has this matter been brought to the minister's attention?

Mr. HOWE: I have no personal knowledge of the iron deposits mentioned by the hon. member, but I shall be glad to obtain a report from my steel controller, and consider what can be done to bring that iron ore into the war effort.

Progress reported.

On motion of Mr. Crerar the house adjourned at six p.m.

Monday, May 18, 1942

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SS. "GEORGE WASHINGTON"

Mr. CHURCH:

1. Did the government purchase a ship called the *George Washington* in the United States?

2. If so, when, what was the cost thereof, and who were the former owners?

3. For what purpose was it bought, who reported on the seaworthiness and utility, and was an inspection made to establish the state of its repair?

4. What was the cost of additions or repairs to it after purchase?

5. What uses have been made of it?

Mr. HOWE:

1. No.

2. 3, 4 and 5. Answered by 1.

INDUSTRIAL DISPUTES—CALLING OUT OF ACTIVE MILITIA

Mr. BLACKMORE:

1. At what dates since 1915 and in what localities has the Canadian active militia been called out by order of the governor in council or otherwise, for the purpose of quelling riots or disturbances arising from industrial disputes?

2. In each case, out of what particular dispute did the riot or disturbance necessitating that the militia be called out, arise?

3. What were the immediate causes of the disturbance in each case?

4. What were the general causes of the disturbance in each case?

5. If the disturbance resulted from a strike, what were the causes and the final result of the strike?

6. In what cases (if any) did the disturbances relate to political matters and discontent with government?

7. What overt acts were committed by the persons responsible for the riot or disturbances?

8. What was the strength of the militia force on each occasion?

9. For what length of time was the militia on duty on each occasion?

10. Where was the militia force which was called out on each occasion, stationed before the disturbances; after the disturbances?

11. How many casualties (if any) resulted on each occasion that the militia was called out, among militiamen? Among civilians?

12. How many arrests were made of alleged rioters, et cetera, on each occasion that the militia was called out in this way?

13. What were the charges laid against each arrested person on each occasion?

14. How many convictions were made of those arrested on each occasion? Where were the trials held? Are there reports of these trials?

Mr. RALSTON: I have already asked my hon. friend to reconsider this question and have expressed my own view that it should not be pressed on account of the multiplicity of detail involved in giving an answer to the question as it stands. My hon. friend has called "stand" on two or three occasions when the question has been called. I do not know whether he has given further consideration to the matter or not, but I would ask that he do so.

Mr. BLACKMORE: I have given it consideration, Mr. Speaker, but I think the house is entitled to this information. If the minister desires to have the question stand to-day, I will consult with him to see in what respect the amount of detail involved could be cut down. But I do feel that this information is important and that the house should have it.

Mr. RALSTON: I suggest to my hon. friend that he put his question as a notice of motion for papers. Then it can be discussed. It is not properly a question.

Mr. SPEAKER: The suggestion is made that the question be put in the form of a notice of motion for papers and that the question be dropped now.

Mr. BLACKMORE: I will do that, Mr. Speaker.

Mr. SPEAKER: Dropped.

*CANADIAN FORCES IN ENGLAND—BEER AND SPIRITUOUS LIQUORS

Mr. CASTLEDEN:

1. What quantity each of beer and spirituous liquors have been sent, prior to April 30, 1942, to the Canadian forces in England?

2. From whom were these supplies purchased?

3. What amount of money was paid to each of the brewing or distilling firms for these supplies?

Mr. RALSTON: Mr. Speaker, may I make an oral reply? The answer to question 1 is: None by the Department of National Defence, and so far as I know, none by any other governmental authority. Questions 2 and 3 are answered by the answer to question 1.

NATIONAL WAR SERVICES BOARD, REGINA

Mr. FLEMING:

1. What are the names of the members of the national war services board, division M, Regina, Saskatchewan?

2. What salary, per diem allowance, or expenses have each received since its inception?

3. How many of a secretarial staff are employed by this board, what are their names, salaries and expense accounts?

4. How many in each of the following classes have been called up through this office, (a) farmers, (b) farmers' sons, (c) agricultural workers?

5. How many, (a) farmers, (b) farmers' sons, (c) agricultural workers, were refused postponement up to April 30, 1942?

Mr. THORSON:

1 and 2.

. Members of the board	Salary	Per diem allowances	Travelling expenses
Brig.-Gen. the Hon. Mr. Justice J. F. L. Embury, C.B., C.M.G., V.D., Chairman....	Nil	$1,166 00	$745 31
Mr. A. Carl Stewart, K.C., M.I.A.....	"	2,330 50	359 27
Mr. George Bickerton.....	"	2,112 00	550 60

3. (a) One.

(b) Miss E. G. Cannon, stenographer, Grade 1, does secretarial work of the board and assists on the staff of the registrar when not engaged on this work.

(c) Salary: $65 per month, plus cost-of-living bonus.

(d) Travelling expenses: Since employment commenced, February 1, 1942, $65.05.

4. It is not possible to answer this question. Men are not called up for military training by occupations or trades; therefore, no complete statistics are kept as to the number of farmers, farmers' sons, agricultural workers, etc., who are being called for military training.

5. The total number of farmers, farmers' sons, agricultural workers, called out who applied for the postponement of the period of their military training was 2,992.

The total number of such applications granted by the board, division "M" was 1,854.

The total number refused was 1,138.

TRADE AND COMMERCE PUBLICATIONS

Mr. BRUCE:

1. How much does the Department of Trade and Commerce spend annually in its distribution of publications, (a) for all the provinces, (b) for each province?

2. Would the government consider greatly reducing these publications or eliminating them altogether for the period of the war and thus save labour and paper?

[Mr. Speaker.]

Mr. MacKINNON (Edmonton West):

1. (a) $113,800.75—printing and distribution. This figure includes such publications as annual reports, etc., which are required by statute.

(b) Information not available by provinces.

2. The publication, and circulation, of certain statistics has already been withdrawn, and every consideration will be given to further economy, insofar as the need for statistical and other services may permit.

RELEASES FROM INTERNMENTS

Mr. CASTLEDEN:

How many persons were released from internment camps in Canada in each month from October, 1939, to April, 1941?

Mr. McLARTY:

	1939	1940	1941
January	..	21	11
February	..	16	23
March	..	21	24
April	..	26	..
May	..	3	..
June	..	3	..
July	..	4	..
August	..	4	..
September	2	2	..
October	6	21	..
November	18	18	..
December	30	31	..
	56	170	58

Total—284.

PRISON CAMPS—OFFICER PERSONNEL

Mr. BRUCE:

1. Did a British officer resident in Canada, with extensive experience in large prison camps in the last war, offer his services to the government in this war?

2. If so, why was this officer not employed?

Mr. RALSTON: Since the outbreak of hostilities, approximately 40,000 offers of service have been dealt with in this department. It is, therefore, not possible to identify the individual referred to or to furnish the information unless the name of the officer in question is supplied.

TOURIST ADVERTISING

Mr. BRUCE:

1. How much does tourist advertising cost?

2. Have the provincial governments got similar services?

3. In view of the necessity for conserving rubber and gasoline, would the government consider the abolition of this tourist department as a war measure?

Mr. THORSON:

1. For the fiscal year 1941-42:

Advertising	$345,373 21
Publications	20,337 57
Total	$365,710 78

2. All provincial governments maintain tourist development departments for the purpose of promoting tourist traffic into their respective provinces.

3. In view of the existing war-time conditions, the activities of the Canadian travel bureau have been greatly curtailed. The abolition of the Canadian travel bureau is a matter of governmental policy, which will be made known in due course.

WORKERS IN ST. PAUL L'ERMITE WAR INDUSTRIES —TRANSPORTATION

Mr. FERLAND:

1. Is the government paying the cost of transportation of Montreal workmen who are employed in the war industries at St. Paul l'Ermite (Plant Cherrier)?

2. Is the government paying for the transportation of workmen residing in the counties of Joliette, L'Assomption, Montcalm and Berthier, who are employed in the same shops?

3. If not, does the government propose to accord the same treatment to all these workpeople and to reimburse those living in the four counties named for the cost of their daily transportation retroactive to the commencement of the enterprise?

Mr. MICHAUD:

1. Yes, partially. The company supplies free transportation service from Ontario Street East, Montreal, to the plant at Cherrier, a distance of 15¼ miles. Workers who use this free transportation service pay their own transportation charges from their homes to the railway depot at Ontario Street East and return.

2. No, except that all workers in the plant, from whatever district they come, work eight hours per day and are paid for 8½ hours to compensate, in part at least for transportation costs. Workers who live east of the plant do not receive any free transportation except as stated above.

3. The department does not propose to assume transportation costs in addition to those already in effect and especially on a retroactive basis. Such a course of action would involve heavy expenses and similar arrangements in other plants.

DR. H. H. CHRISTIE

Mr. DOUGLAS (Weyburn):

1. Is Dr. H. H. Christie, formerly of Esterhazy, Saskatchewan, employed by the dominion government?

2. If so, in what capacity?

3. Did his appointment receive the endorsation of the Canadian Medical Association?

4. What salary, travelling expenses, and other forms of remuneration has he received since being employed by the dominion government?

Mr. THORSON:

1. Yes.

2. Supervisor of medical services, Department of National War Services.

3. Such endorsation was not requested. Dr. Christie is a past president of the Saskatchewan branch of the Canadian Medical Association and he resigned from the position of member of the health services board of the province of Saskatchewan to accept his present appointment.

4. Salary at the rate of $5,000 per year and $881.22 for necessary travelling expenses from September 10, 1940, to the date of this reply.

POST-DISCHARGE BENEFITS TO EX-SOLDIERS

Mr. NOSEWORTHY:

How many men with dependents and how many single men, discharged from this war, are now in receipt of post-discharge benefits pending employment?

Mr. MACKENZIE (Vancouver Centre): Men with dependents, 314; single men, 348.

CANADIAN ARMY (RESERVE)—DEPENDENTS' ALLOWANCE

Mr. CRUICKSHANK:

Are members of the reserve army, when serving in the annual 2-week camp, allowed dependents' allowance, and if so, what is the rate of allowance.

Mr. RALSTON: Members of the reserve army do not receive dependents' allowance

when performing annual training. They are paid under the provisions of pay and allowance regulations for the permanent and non-permanent active militia 1937, which govern the army when not placed on active service.

RESTRICTIONS ON TRAVEL BETWEEN UNITED STATES AND CANADA

Mr. BRUCE:

Will the government institute the necessary proceedings to overcome the present restrictions on free travel between the United States and Canada?

Mr. MACKENZIE KING: Restrictions on travel between Canada and the United States have been and are being studied by the joint economic committees and by other agencies of the two governments. It is the desire of both governments that these restrictions shall be removed as soon as conditions make such a step feasible, and that, in the meantime, they shall cause as little dislocation as possible in legitimate and necessary travel between the two countries.

EXPORTS OF BACON TO BRITAIN

Mr. WRIGHT:

1. What was the total amount of bacon exported during the first six months of the 1940 bacon agreement?
2. What was the total amount of bacon exported during the first six months of the 1941 bacon agreement?

Mr. GARDINER:

1. 247,651,000 pounds of bacon were purchased for shipment during the first six months of the 1940 bacon agreement.
2. 325,675,000 pounds of bacon were purchased for shipment during the first six months of the 1941 bacon agreement.

PLEBISCITE—VOTE IN BASIC TRAINING CENTRES

Mr. CASSELMAN:

What was the total vote, (a) yes, (b) no, in each basic training centre in Canada in the recent plebiscite?

Mr. McLARTY: The votes cast by Canadian service voters at the plebiscite were not classified according to basic training centres. The votes of Canadian service voters stationed in Canada were counted by voting sections with the following result:

	Affirmative	Negative
Nova Scotia, New Brunswick and Prince Edward Island	41,720	5,821
Ontario and Quebec...	93,203	20,341
Manitoba, Saskatchewan, Alberta, British Columbia, and Yukon ...	55,721	11,016

[Mr. Ralston.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

PLEBISCITE—SOLDIERS' VOTE

Mr. BRUCE:

1. What was the total number of soldiers in Canada and overseas entitled to vote on the recent plebiscite?
2. What number of these cast their ballots, (a) in Canada, (b) overseas?
3. Were precautions taken to ensure the secrecy of the ballot?

CAMP BORDEN—PURCHASE OF COAL

Mr. DIEFENBAKER:

1. From whom was coal purchased for use at Camp Borden from January 1, 1941, to date?
2. How many tons were purchased; what were the various kinds of coal supplied and the price paid for each of them?
3. Did the successful vendors secure the contract by tender? If so, what other persons or companies tendered and what prices were asked by the unsuccessful tenderers?

Mr. MICHAUD: Return tabled.

PETAWAWA CAMP—PURCHASE OF COAL

Mr. DIEFENBAKER:

1. From whom was coal purchased for use at Petawawa camp since January 1, 1941, to date?
2. How many tons were purchased; what were the several kinds of coal supplied and the price of each of them?
3. Did the said company or companies secure the contract to supply such coal by tender?
4. If so, what other companies tendered and what was the price asked by each?

Mr. MICHAUD: Return tabled.

MILITARY SERVICE—POSTPONEMENTS

Mr. CASTLEDEN:

How many postponements were granted prior to April 10, 1942, by each of the national war services boards in which the postponement was given conditional to the applicant enrolling in the reserve forces?

PLEBISCITE—PRESS ADVERTISING

Mr. BRUCE:

1. What was the cost of advertising the recent plebiscite campaign, (a) in all daily and weekly newspapers in Ontario, (b) in the protestant religious press, (c) in the Roman Catholic press?

MILITARY SERVICE—FARM LEAVE

Mr. FERLAND:

1. How many military recruits have applied for farm leave in military districts 4 and 5 since March?
2. How many have been granted leave for harvesting and other farm work?
3. Is it true that some of these men have obtained leave for six weeks only?

PURCHASE OF DUNSMUIR HOTEL PROPERTY AT VANCOUVER

Mr. MacINNIS:

1. Has the government purchased the property known as the Dunsmuir hotel at Vancouver, British Columbia?

2. If so, who was the registered owner of this property at the time of purchase by the government?

3. Did the government purchase the property from the registered owner or from the holder of an option on the hotel?

4. If from the holder of an option, what is the name of such person?

5. What was, (a) the purchase price, (b) the terms of payment?

6. What was the assessed value of this property at the time of purchase, (a) land, (b) buildings?

SUBSIDY TO NOVA SCOTIA MILK PRODUCERS

Mr. PURDY:

1. Has the bonus which was formerly paid to producers of fluid milk in Nova Scotia been discontinued?

2. If so, has any increase in retail price of milk in Halifax and other centres or other assistance to milk producers been authorized or arranged for to offset this?

3. Have protests been lodged with the government by Mr. Harold A. Reid, Shubenacadie, secretary of the United Milk Producers' Association, and other organizations with respect to this situation, pointing out that unless an adjustment is made promptly there will be a milk famine in the district?

4. What is the present ceiling retail price for fluid milk in, (a) Halifax, (b) Saint John?

5. Will the government investigate the situation promptly?

6. What was the price per ton Fort William at the end of each month during 1941 and 1942 to date, for carload lots of: (a) bran, (b) shorts, (c) middlings, (d) barley meal, (e) oat chop?

7. What is the freight per ton on feed grain from Fort William to (a) Saint John, (b) Halifax?

CONTROLLERS

Mr. SHAW:

1. How many controllers have been appointed since September, 1939?

2. What is the name and address of each controller?

3. What was the occupation or profession of each such controller at the time of or immediately prior to his appointment as controller?

4. Were any or all controllers obliged as a condition of appointment to sever connections with the business carried on privately at the time of appointment?

5. What rates of salary, wages, living allowances, travelling expenses, etc., are paid to controllers, and what amount or amounts have been paid to each controller from appointment to date?

6. What specific commodity (or commodities) is controlled by each controller?

7. Where is each central control office located?

8. How many regional control offices have been set up since September, 1939?

9. What is the name and the address of each official in charge of a regional control office?

10. What was the occupation or profession of each regional control officer at the time of or immediately prior to the time of his appointment?

11. How many regional controllers still continue to carry on the businesses in which they were engaged at the time of appointment?

12. What are the names of those regional controllers who still carry on private businesses?

13. What rate of salary, wage, living allowance, etc., is paid to each regional controller?

PLEBISCITE—ADVERTISING IN CHURCH PUBLICATIONS

Mr. FAIR:

What amount of money was expended by the government for plebiscite advertising in publications of the following churches, (a) United, (b) Presbyterian, (c) Baptist, (d) Church of England, (e) Roman Catholic, (f) Salvation Army, (g) other churches, specifying same?

VOLUNTARY RECRUITING FIGURES

Mrs. NIELSEN:

What are the figures for voluntary recruiting for, (a) March, 1941, March, 1942, (b) April, 1941, April, 1942, (c) May, 1941, May, 1942, to date?

MILITARY SERVICE—FARMERS AND FARM WORKERS

Mr. RAYMOND:

1. Is the government aware of the growing scarcity of farm labourers?

2. Since the statement of the Prime Minister in the House of Commons on March 24 last, relative to the military service of persons employed on farms, have any farmers and their sons and agricultural labourers generally, been called up for compulsory military training? If so, how many?

3. How many farmers, sons of farmers and farm employees generally, were, by virtue of the Mobilization Act of 1940, actually undergoing training on March 23, 1942, and have since applied for leave of absence to resume their farm work, (a) to how many has such leave been granted; (b) to how many has it been refused?

ATTESTATIONS AT BASIC TRAINING CENTRES FOR ACTIVE SERVICE

Mr. CASSELMAN:

What percentage of "R" recruits have gone active while receiving their training at each basic training centre since March, 1941 (by training centres)?

MOTIONS FOR PAPERS

NOVA SCOTIA INDIAN RESERVATIONS

Mr. BLACK (Cumberland):

For a copy of all letters, telegrams, petitions, agreements and other documents, (a) supporting, (b) protesting the consolidating of Indian reservations in Nova Scotia into two or a lesser number than now exist; also a statement giving (a) the name, location, acreage of each present reservation, and number of Indian residents on each, (b) the name, location and acreage of proposed consolidated reservations, (c) the number of Indians not now living on reservations, but under the control of the government, (d) the number of Indians living in Nova Scotia not on reservations or under the direct control of the government; also the total number of Indians living in Nova Scotia, (a) males, 21 years and over at last census, (b) females, 21 years and over at last census, (c) number of males under 21 years of age at last census, (d) number of females under 21 years of age at last census.

Mr. BLACK (Cumberland): The Minister of Mines and Resources (Mr. Crerar) has provided me with such information as I require, and I would ask that this motion be dropped.

Mr. SPEAKER: Dropped.

CONSCIENTIOUS OBJECTORS

Mr. SENN:

For a copy of all letters, telegrams or other communications and replies thereto which have passed between members of the House of Commons or the provincial legislature and the Department of National War Services, or any official thereof, or between such members and the divisional administration of the national war services board of the province of Saskatchewan regarding the subject of conscientious objectors.

ORDERS IN COUNCIL AMENDING OR SUSPENDING STATUTES

Mr. DIEFENBAKER:

For a copy of all orders in council passed since the outbreak of war which amend, suspend or otherwise alter the operation of any statute or statutes passed by the parliament of Canada, and a list of all statutes so effected.

Mr. MACKENZIE KING: The clerk of the privy council informs me that amendments or suspensions of the nature asked for by my hon. friend are very few and they are resorted to only in cases of emergency. On the other hand, approximately 24,000 orders in council and 13,000 treasury board minutes have been passed since the outbreak of war. The production of papers requested in this notice of motion would involve a prohibitive amount of time and labour as it entails the consultation of each individual order in council. The motion which my hon. friend moves is very similar to a question asked on May 19, 1941, which was acknowledged. I would suggest to my hon. friend that he have a talk with the clerk of the privy council about the matter to see if in some other way he cannot get the information he desires, but certainly to pass the order as it stands would involve an amount of labour which I do not think would be justified at this time.

Mr. DIEFENBAKER: Naturally I do not want a list of all orders in council. I am not trying to find out the orders in council that have been passed pursuant to statutes, but orders in council that have the direct result of altering statutes passed by parliament. As there are only very few of these I should think it would be possible to get that information.

Mr. MACKENZIE KING: If my hon. friend means any orders in council that specifically override certain statutes, it might be possible to get that information.

Mr. DIEFENBAKER: Yes.

Mr. MACKENZIE KING: He must realize, however, that there may be sections in statutes that are quite obscure and nevertheless may have been overriden by some orders in council of which no one had any knowledge or idea at the time. What I will ask, if it will suit my hon. friend's purpose, is that the ministers of the different departments look over any orders that they are aware of, or that their staffs may be aware of, that have been passed, overriding statutes, and have them brought down in the form of a return. Subject to that modification the order may be passed.

Motion as amended agreed to.

IMPORTS OF COAL—DUTY PAID AT TORONTO

Mr. NOSEWORTHY:

For a statement showing the amount of duty paid, at the port of Toronto, by Toronto firms importing coal from the United States, on each day between the 15th of April and the 15th of July (inclusive), 1940.

Mr. GIBSON: It has always been the policy of the government to refuse to divulge information concerning the personal affairs of an individual taxpayer. Under the circumstances I cannot consent to produce figures showing the customs duties paid by individual importers.

Motion dropped.

GASOLINE

REDUCTION IN VALUE OF RATION COUPONS IN MARITIME PROVINCES

On the orders of the day:

Mr. A. J. BROOKS (Royal): I had a question to direct to the Minister of Munitions and Supply (Mr. Howe). I see he is not in his seat, but possibly some other minister can give me the information.

At midnight on Friday May 15, the oil controller for Canada cut the value of gasoline coupons in the maritime provinces from five to two gallons. I should like to ask the minister the following questions: (1) Is it not possible to regulate the distribution of gasoline in Canada so that the maritime provinces will not be discriminated against? (2) Is gasoline reshipped from the maritime provinces to other points in Canada? (3) How long will it be before the gasoline coupon will again be worth five gallons in the maritime provinces?

I sent notice of this question to the minister.

Mr. SPEAKER: This will be considered as notice of the question.

LABOUR CONDITIONS

EMPLOYMENT OF YOUTHS OF SEVENTEEN IN WAR INDUSTRIES

On the orders of the day:

Mr. KARL K. HOMUTH (Waterloo South): In view of the promise made by the Minister of National Defence (Mr. Ralston) with respect to the employment of boys of seventeen years of age in industries engaged in war work but not declared essential industries, that he would take this up with the interested minister, could the Minister of National War Services give the house an answer to-day? These boys are now leaving school and are more or less out on a limb as a result of this statement and so are the industries.

Hon. J. T. THORSON (Minister of National War Services): The administration of the order in council to which my hon. friend refers is with the Department of Labour and the director of national selective service. I understand that the matter was dealt with at a conference that was held last week, but what the decision was I personally am not aware. I shall bring the question immediately to the attention of my colleague the Minister of Labour.

Mr. HOMUTH: Might we have an answer to-morrow, in view of the urgency of the matter?

Mr. THORSON: I shall bring it to his attention immediately.

Hon. J. L. RALSTON (Minister of National Defence): May I interpose to say that I did refer to the matter the next day? Perhaps what I said was not satisfactory, but I immediately took it up with the director of national selective service and found that the regulations were such that almost automatically permits were granted to young men seventeen years of age to accept employment for their vacations. That was covered by a direction issued by the director of national selective service, which seemed to solve the problem. I am sorry I cannot give the page of *Hansard* on which the statement is to be found, but the regulation is there. I read it.

Mr. HOMUTH: I remember the minister's answer, but it does not solve the problem.

PRAIRIE FARM ASSISTANCE

INQUIRY AS TO PAYMENTS UNDER BONUS PLANS

On the orders of the day:

Mr. C. E. JOHNSTON (Bow River): I wish to direct a question to the Minister of Agriculture (Mr. Gardiner). I have received numerous letters in regard to farm bonus payments, over the last week-end I received thirty-two from my constituency. Most of the wheat acreage reduction payments are made, but the great difficulty is the payments under the prairie farm assistance and prairie farm income plans. Would the minister say what action is being taken to get these cleared up?

Hon. J. G. GARDINER (Minister of Agriculture): As the hon. member has stated, practically all the payments under the wheat acreage reduction have been made. I suppose it would still be possible to get thirty-two letters from certain sections of Alberta where payments have not been completed.

Mr. JOHNSTON (Bow River): This was over one week-end.

Mr. GARDINER: Under the prairie farm assistance plan there will be some townships not yet passed—that is where there is a dispute as to whether the payment should be on the basis of eight to twelve bushels or four to eight bushels per acre, or between other categories, or where appeal has been made by the council against the decision of the board. Individuals from those townships may be complaining, and may have some

reason to complain, as to payments not having been made, but the matter cannot possibly be completed until the appeals are settled.

Mr. JOHNSTON (Bow River): What about the prairie farm income?

Mr. GARDINER: Those payments are based on the decision made in connection with prairie farm assistance so far as individuals are concerned. Payments in townships on prairie farm income are not made until prairie farm assistance payments are passed on.

HOUSE OF COMMONS

REQUEST FOR WEEKLY SECRET SITTINGS

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): In reference to what was said on Friday by the hon. member for Gaspé (Mr. Roy) may I ask the government if it would not be possible to have a secret sitting once a week until further notice? It could be easily done on any day of the week, preferably Wednesday. Its establishment as a weekly custom would prevent the Canadian people from thinking there was any special emergency, and it would give hon. members opportunity to seek from the government information that could not be disclosed in the press.

Mr. HOMUTH: There is too much secrecy now.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Possibly the hon. member for Waterloo South has given expression to a view that a large section of the public holds, and I think it is a point of view that has to be very carefully considered. The reply made to the hon. member for Gaspé last week was that he should give the information which he had to the minister of the department concerned, and if the minister thought the information to be of a kind which rendered a secret sitting advisable it would be so arranged by the government. I am advised that the information conveyed to the minister, in his opinion and the opinion of the cabinet—I can speak for the cabinet because I was present at the discussion—does not warrant the calling of a secret sitting.

As to my hon. friend's suggestion that we should have secret sessions at stated times, I think the public would be inclined to take the view that so far as sittings can be open they should be open, and that the government should resort to secret sittings only where there appears to be the strongest of reasons.

WAR APPROPRIATION BILL

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

The house resumed from Friday, May 15, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. McCann in the chair.

NATIONAL WAR SERVICES

Mr. BLACKMORE: On May 11 the minister made certain remarks, recorded on page 2328 of *Hansard*, which seem to me to deserve some comment.

The hon. member for Haldimand (Mr. Senn) asked the following question:

It seems to me only fair that something should be done to put those men—

Referring to the men working on farms.

—on an equal basis with their brothers and cousins who have gone to the cities and are enjoying much higher wages.

The minister replied as follows:

We did give some consideration to the question of a bonus, but it was felt that it would be almost impossible to work out any kind of bonus scheme that would be at all adequate. If you fixed a certain amount, in one part of the country it would be a pure gift; it would be much too high. On the other hand, in some areas that I have particularly mentioned, if a bonus were paid to farm labour to keep men on the land or attract them to the land, it would not be enough to counterbalance the superior attractions of high wages that would pull men from the farms into war industries.

Again the minister used the following words:

But there is a difference between equality of contribution to the effectiveness of the war effort and equality of sacrifice. I cannot think of any scheme that can bring about equality of sacrifice in time of war and at the same time make for maximum effectiveness.

May I interrupt this quotation just long enough to ask the minister why he has come to that conclusion. Why should maximum effectiveness be any more easily attainable when men are not making equality of sacrifice? I utterly fail to follow the minister's line of thought there.

There is not equality of remuneration or reward either. There is no equality of remuneration between the soldier, sailor or airman, and the young man who works in a

war industry at a high rate of pay; or between the man in the war industry and the man on the farm who has his difficult task to perform. They are all essential to the effectiveness of the war effort, but there is not equality of remuneration and there is not equality of reward. The man who enlists voluntarily has his own remuneration and his own reward. It is inside him. He knows that he answered the call of his country when the call came. When this conflict is all over he will remember, even if everyone else has forgotten, that he answered when the call came. That is his reward, and that reward cannot go to anyone except the volunteer. So these conceptions of equality of sacrifice and equality of remuneration are easy to talk about, but the thing with which I am sure every hon. member is concerned is maximum effectiveness, even though that has to be achieved at the expense of such things as equality of sacrifice.

Again the idea in the minister's mind seems to be that in order to obtain maximum effectiveness you must depart from the principle of equality of sacrifice. I do not agree with the minister in any respect with regard to that matter. Surely it is not going to add to the effectiveness of our war effort if we are to have inequality of sacrifice, inequality of remuneration, and inequality of reward. The minister speaks as though the problem had been taken up and found difficult, and therefore had been left unsolved and neglected or laid aside. That is simply not good enough in this country at the present time. It may be impossible to bring about equality of sacrifice or equality of reward, but certainly it is not impossible to give adequacy of reward. There are altogether too many people who have the idea that only our fighting men should be sacrificed; that without earning any great reward, they should be expected to face a future over which they have no control whatever. The idea seems to be that the next in line for sacrifice without reward is the man on the farm. Where such nonsensical ideas had their origin I cannot understand. These people, our fighters and our farmers, are of the greatest value to the country; these are the people who should be most adequately rewarded.

I feel that right now, without waiting for this session to close, we should definitely lay down the principle that every man who serves in the armed forces of this country must be guaranteed the means of establishing and maintaining a home. The pittance that these men receive at the present time certainly will not enable them to do that. Canada must have homes. How on earth can the British race survive, in competition with other races that have sense enough to realize the value of children, if the British race will not likewise realize the value of children and will not enable their people to raise them? It is time we woke up, as a race, before we are eliminated from the competition. Canada must have homes and children. Those children must have the opportunity of growing into useful citizens. I feel that what the minister has said requires a great deal of explanation.

Hon. J. T. THORSON (Minister of National War Services): There is not a great deal that I can add to what I stated on May 11, when I made the remarks to which the hon member for Lethbridge has referred. Our war effort is not a onesided effort. We have set our war objectives very definitely; we have indicated the various purposes of that war effort. Perhaps I might state them again. In the main they are threefold. We should raise the strongest armed forces possible, in the army, the navy and the air force, both as to number and as to quality of personnel, so that our fighting forces may be as effective as possible both in defensive and in striking power. That, I think, might be stated as our war objective as far as the armed forces are concerned. To send armed forces overseas without the necessary equipment would be the height of folly. Therefore we have another war objective. We must produce as much in the way of ships, planes, tanks, guns and other munitions of war and war supplies and equipment as it is possible for this country to produce. We have a double duty now in this regard; for not only do we have to produce munitions of war for our own armed forces, but we have entered into an obligation to supply Britain with a billion dollars' worth of munitions and supplies for her armed forces. Thirdly, we have set as a war objective the production of as much in the way of essential foodstuffs as can be transported overseas.

I have stated three war objectives, one relating to the armed forces, the army, the navy and the air force; the second relating to the production of munitions of war, and the third to the production of essential foodstuffs. Each of these objectives must be attained if this country is to make an all-out war effort, and we must move toward the attainment of these objectives concurrently.

Now, having stated the objectives and the necessity of moving forward to these objectives concurrently in the interests of the maximum effectiveness of our war effort, I am able to reply further, if any reply is necessary, to the hon. member for Lethbridge with respect to the matter of equality of sacrifice. If these

objectives of our war effort are to be attained, it must be done through the use of adequate man-power for the respective purposes of these objectives. I would ask the hon. member for Lethbridge what equality of sacrifice is possible between, let us say, a young man who enters the air force as a member of a fighting crew, whose days may be numbered from the very moment he enlists, and the young man or older man who works in a munitions plant at $5, $6, $7 or $8 per day. What equality of sacrifice is possible between our airmen, our soldiers and our sailors who offer their lives, and the farmer, who while he is doing his essential work is on his farm? What equality of sacrifice is possible under these circumstances? Yet we must have men in our fighting services, and we have—I say it to the credit of Canadian youth—men volunteering their services in the fighting forces, in the army, in the navy and in the air force. The sacrifice they make is the greatest sacrifice of all; for they offer their lives; many of them have given their lives.

In order to have maximum effectiveness of the war effort we must also have the production of the necessary munitions of war. We must also have production of the necessary food supplies, not only to keep our own nation alive, but also to supply Britain and our other allies. These are essential war purposes without which this country could not make an all-out war effort. But there is no equality of sacrifice in the matter. The farmer, while he is performing his essential work in that part of our war objective, is not making a sacrifice equal to that of the airmen or the soldiers or the sailors I have mentioned, and no farmer in this country would claim that he is. He knows he is not. Nor is any person who is working in a munitions plant making a sacrifice equal to that of the airman, the soldier or the sailor. To say that men in the munitions plants are in the front line in the same way as the soldiers, sailors and airmen is nonsense.

Mr. GILLIS: Why the difference in wages, then?

Mr. THORSON: I am dealing with equality of sacrifice. There may be equality of contribution to the effectiveness of the war effort, and that is very necessary indeed. But there is a difference between equality of contribution to the effectiveness of the war effort and equality of sacrifice.

Mr. DOUGLAS (Weyburn): Some are getting paid for very little contribution.

[Mr. Thorson.]

Mr. THORSON: Men do not enlist for pay; men enlist for other reasons. They enlist out of a sense of duty. They do it in the air force, they do it in the army, they do it in the navy. They are not thinking of equality of sacrifice; they are ready to make the greatest of all sacrifices. They did it in the last war, and they are doing it in this one. I am getting tired of the expression "equality of sacrifice". If it could be brought about, yes; but the very nature of war makes it impossible, because the sacrifice the one makes is in a field where he offers his life, and the one the other makes is in another field. Both are necessary for the purposes of war. One man gives of his best through his skill and labour. There may be equality of contribution to the effectiveness of the war effort, but that is a vastly different thing from equality of sacrifice.

There cannot be equality of sacrifice in war and maximum effectiveness in the war effort at the same time. Let me illustrate what I mean. Take for example two young men in a war industry, both of whom are of the same age, both physically fit, and both of the highest possible value, let us say, to the armed forces. One of them has been in the plant for years, and has become a highly skilled and trained precision tool man who could not be replaced in that plant by anyone else in less than two or three years. The other young man has been in the plant only a short time. He is not essential to war industry, nor to that purpose in the war effort that I mentioned.

It is the purpose of selective service to place persons in that field of activity in which each can make the greatest contribution to the war effort. If we are thinking of the maximum effectiveness of the war effort we will take the man who recently came into the war industry and place him in the armed forces. We might for the same reason leave the other man in war industry, because he is essential to it. Each of those men makes an equal contribution to the effectiveness of the war effort.

Mr. JOHNSTON (Bow River): They should be paid the same, then.

Mr. THORSON: But their equality of sacrifice is not the same.

Mr. JOHNSTON (Bow River): Should they not be paid the same, though?

Mr. THORSON: The question of pay is a totally different matter.

Mr. JOHNSTON (Bow River): But there is discrimination.

Mr. THORSON: I am dealing with the expression "equality of sacrifice", and I should like to put that phrase before the Canadian people so that they will stop talking about equality of sacrifice in war and maximum effectiveness of war effort at the same time. The two ideas are inconsistent with each other. If we could have equality of sacrifice in time of war, I would be in favour of it, but the very nature of war makes impossible equality of sacrifice among all persons who make their contribution to the success of the war effort.

Mr. MacINNIS: Are we not all—

Mr. THORSON: Do not interrupt me, please. War demands of its youngest and strongest men the greatest of sacrifice—unfortunate, indeed; but that is war.

Mr. BROOKS: Many of them are in the factories.

Mr. THORSON: If we are to make the most effective war effort these are facts we must recognize. I want to make a distinction between equality of sacrifice in time of war and equality of contribution to the effectiveness of the war effort. We can have in a war equality of contribution to the effectiveness of the war effort, but I for one cannot see how we can have equality of sacrifice.

Mr. POULIOT: I have two duties to fulfil. In the first place I wish to congratulate the minister upon what he has just said and upon the way he has acted as the head of his department. He has had fine legal training and besides that he possesses a deep knowledge of parliamentary traditions. When hon. members ask for information he tries to get it if it is available. In the second place I wish to express my deep gratefulness to my colleagues for the kindness they show to the member for Témiscouata whenever he rises to speak or to ask any questions.

Mr. HOMUTH: They are very proud of you.

Mr. POULIOT: This spirit of fraternity is shown by them all, including the hon. member for Wateloo South (Mr. Homuth).

I should like to ask the minister to see that a correction is made in the translation of paragraph 3 of C.P. 2252. The English text reads:

No male person wholly or mainly employed...

The French text reads:

Aucune personne de l'un ou l'autre sexe...

A correction should be made.

If it is possible to secure it, I should like to have some information about the French-speaking boards which are now sitting in the various camps. This may come under the Department of National Defence, but if it happens to come under the minister's department, I would ask him to let me have the information. Until it is changed, the law regarding defence in this country is section 3 of the National Resources Mobilization Act. I shall not discuss this section because an amendment is to be brought before us. One thing I regret deeply is that "O Canada" is not considererd any longer as the national anthem, but was considered in that way, although semi-officially, even when conscription was decided upon in 1940.

I hold in my hand the first edition of the national war services regulations of 1940. The present minister was not in charge of the department at that time, since he was sworn in on June 11, 1941. These regulations were submitted to council on August 27, while information regarding the farmers was reported to the minister in charge only two weeks afterwards, on September 12. A number of the higher officials of various departments contributed to that report, especially the deputy minister of agriculture, the deputy minister of fisheries, the deputy minister of mines, the deputy minister of transport and the timber controller. The report is dated September 4, but it was sent to the registrars only on September 12.

There is a difference between the Militia Act, which is to be found on the statute book, and the 1917 conscription act and regulations and the 1940 regulations. In the first place there were exemptions, and now there are mostly postponements. I have a list of the general exemptions under the Militia Act and under the 1940 regulations. They covered the physically unfit, members of the clergy, the judiciary and the army. Exemptions were provided for members of police forces and fire brigades, for wardens and officers of prisons and lunatic asylums, members of the Royal Canadian Mounted Police, and Mennonites, Doukhobors, and conscientious objectors. In the Militia Act, exemptions were provided for eight other classes of people, such as the members of the king's privy council, members of the executive councils of the provinces, deputy ministers of the federal and provincial governments, telegraph clerks when actually employed, officers and clerks regularly employed in the collection of the revenue, professors in colleges and universities, and teachers in religious orders, the only son of a

widow being her only support, and pilots and apprentice pilots during the season of navigation.

I have the particulars of a case which is even more deserving than that of the only son of a widow. This is a boy whose father and mother have died. The details of this case are set out in a memorandum which I will send to the minister. He has three grounds for postponement. First, he is the only support of his younger brothers and sisters; second, being a mechanical technician his services are indispensable in industry, and third, his health is bad. The other day I phoned to Quebec city to ask the national war services board to reconsider its decision in this case. The member of the board who answered me told me that he was looking after war industry only. I asked about the other member, and he told me that he was looking after farm hands and farmers only. I asked about the chairman of the board, and he told me that he was away for three weeks. I have nothing to say against the members of this board, but the point is that at the present time there is a quorum of two members only to do its work. When one member is away it is easy for the other two to reconsider any case that might be submitted to them.

I find that there were exemptions worth considering in the Borden conscription act of 1917. This act was based upon the British Military Service Act of 1916, being chapters 5 and 6, George V. This act deals with exemptions which were considered to be in the national interest. The grounds of exemption were as follows:

(a) That it is expedient in the national interest that the man should instead of being employed in military service be engaged in other work in which he is habitually engaged;

(b) That it is expedient in the national interest that the man should instead of being employed in military service be engaged in other work in which he wishes to be engaged and for which he has special qualifications;

(c) That it is expedient in the national interest that, instead of being employed in military service, he should continue to be educated or trained for any work for which he is then being educated or trained;

(d) That serious hardship—

This is another consideration:

—would ensue, if the man were placed on active service, owing to his exceptional financial or business obligations or domestic position;

(e) Ill health or infirmity.

Then it goes on to deal with conscientious objectors. The two reasons mentioned in the clauses I have just read are surely deserving of consideration, because very serious hardship may fall upon the dependents if they have no other means of livelihood.

There is another exemption which is not precisely mentioned as such, although in practice it works out that way. Section 4 (1) of the national war services regulations provides:

Subject to the provisions of these regulations, every male British subject who is or who has been at any time subsequent to the first day of September, 1939, ordinarily resident in Canada—

—shall be liable to undergo military training; but the phrase "ordinarily resident" is not defined in section 3 of the regulations which deals with interpretations. I think it is important that the phrase should be defined so that we shall know just what length of residence in Canada is required. According to section 16 of the interpretation act;

No provision or enactment in any act shall affect, in any manner whatsoever, the rights of His Majesty, his heirs or successors, unless it is expressly stated therein that His Majesty shall be bound thereby.

That is right. It means that the law of the land shall apply to all of us in this country except his majesty and the royal family. Therefore it is of the utmost importance to have a ruling on this point, I would thank the minister for a clear interpretation of "ordinarily resident", so that there may be no misunderstanding whatever about the phrase. In my humble view the national war services regulations should apply to every British citizen who is now resident in Canada or who comes here for the duration of the war. I can see no reason why any British citizen should not be subject to these regulations.

I think the regulations should also provide exemption in cases where there are already three or four members of the family on active service. I know an old gentleman who is a general store keeper in the country, and a farmer as well. He has one son in charge of his business and three other sons in the army, one being in England, one in Nova Scotia and the other in Newfoundland. Of course a postponement has been granted to the son who is at home, but in cases of this kind where many sons of the family are in the service, postponement should automatically be granted for the son remaining at home.

There is another reason why the Borden act was better than these regulations, and that is that it provided for an appeal from the decisions of the board, and not merely one appeal, but there was a possibility of a third appeal in case the second appeal did not render justice to the applicant. Under these regulations the decision of the board is final and conclusive. The decision of the

board is always final, of course, but it is not always conclusive, and there is a reason for my saying that. Without wishing to say anything unpleasant about anyone I may point out that it is impracticable for a judge who has to sit at various places and preside for two or three weeks in the month over civil or criminal courts to hear all the cases under these regulations that come before him as the chairman of the board. It would be very easy for the department to appoint for this purpose some retired justice of the king's bench or superior court, an older gentleman who is not now on active duty on the bench, and who would have enough time to consider each case on its merits.

Of course all applications for postponement are not equally deserving. There are some that deserve particular consideration, and a judge who is absent for two or three weeks during the month from the place where the board sits finds on his return that his desk is piled so high with files that it is physically impossible for him to go through them all and get the true picture in each case. I therefore make two suggestions to the minister in that regard. The first is that he replace all the judges now on the boards by retired judges of either the superior court or the king's bench, so far as the province of Quebec is concerned, and by retired judges of similar tribunals in the other provinces. My second suggestion is that at least one court of appeal be provided where the applicant can have any wrong redressed by a superior tribunal. If the government were under the impression when these regulations were passed that they would have less trouble if no provision were made for an appeal, by now they must realize they were mistaken because they have probably had more trouble and more representations by reason of the fact that the rulings of the board are final.

I wish to impress upon the committee the fact that farmers have a case which is most deserving of consideration. I entirely agree with what the minister said about equality of sacrifice. I know personally a number of young men who would like to enlist but who cannot on account of the responsibilities they have at home. They are like the boys who have beautiful sweethearts but cannot marry because they have to look after their parents. If they leave, the padlock will be put on the farm because the aged people will find it impossible to cultivate the land.

An excellent article has been written on this matter by a journalist of note, a former president of the press gallery, who I believe is a personal friend of the minister, Mr. Emile Benoist of *Le Devoir*. He wrote at full length on the matter and expounded very well the case of farmers and fishermen. This is a serious matter. It has been discussed by the Minister of Agriculture (Mr. Gardiner) himself, and among other clippings I have one from the Montreal *Gazette* of February 27:

> Canadian farmers asked to produce more foodstuffs; Agriculture Minister Gardiner urges maximum capacity at Breeders Banquet at Mount Royal Hotel, Montreal.

I have already had occasion to emphasize to the minister the fact that farming should not be considered a seasonal occupation. The minister will remember that my contention received support. I am sure there were representations by many other members, but to my personal knowledge my representations were supported by the Prime Minister and by the late minister of justice, and he agreed to it. Now farming is not considered as only a seasonal occupation but is described as a seasonal and essential occupation. In the province of Quebec it is essential but it is not seasonal, or rather it is seasonal in all seasons. The minister knows that in our part of the country the farmers are those who rise earliest and go to bed latest, and it is a full-time job the year round. They have a lot to do and their work is different from that of the farmers in some other parts of the country who have no cattle and work with tractors. After the harvest their year is finished. At home, however, the animals are not like camels; they have to be fed every day and it takes a long time. The farmers have all sorts of things to do, and their work keeps them busy all the time.

I have received very instructive letters on this subject and have sent copies to all ministers to inform those who were not so familiar with the farm problem regarding the work of our farmers. Of course, the statement that was made by the Prime Minister on March 24 brought some relief to the farmers and they expected that it would be easier for them to have their case settled in the future. I greatly appreciate the support I have received from the minister and the Prime Minister in connection with this problem, which is vital not only to the civilian population but also to the army and to our allies. The farmers were greatly disappointed when another statement was made by the Minister of Labour in relation to the one that had been made a couple of days before by the Prime Minister. Then the Minister of National War Services made a statement—if I am wrong I hope he will correct me—that those on the land on March 23 were to be considered prima facie farmers, and evidence to the contrary had to be brought against

that presumption. This is what was understood from his statement, which was widely publicized in the country. A boy was on the farm on March 23. He was prima facie a farmer, and it was up to the Department of National Defence or anyone else to show that on that day he was not a farmer and was not essential to agriculture. But the interpretation we have now in some cases is that the board decides of itself that although the man was on the farm on that very day his services are not required for agriculture. That is a very bold thing, because the importance of the man on the farm is obviously relative and when I say that I want to explain myself. You cannot always judge the importance of the farmer's work by the number of his horses, the number of his cattle, or the number of his sheep. Not only that; it is important to see whether the farmer is a bona fide farmer, and if he is he should qualify for postponement, at least, as he has no right to exemption now. He should be qualified for postponement. I have here a communique given by the minister on April 17. I have not the English text, but the French. On page 2 I find the following:

> When the applicant has shown that he is a person wholly or mainly employed in agriculture within the meaning of the amended regulations, it is mandatory upon the board, subject to the exceptions hereinafter mentioned, to grant the postponement order. Furthermore, the postponement order is until further notice and it constitutes an allocation of the applicant to agriculture rather than to military service.

And it goes on. That was the change. In the first place, the *onus probandi* was against the farmer applicant, and now it is against the state; therefore it is up to the state not only to show but to establish that the farmer is not necessary to agriculture if his request for postponement is to be denied. This is the way it works in Montreal. I am informed that an adjournment is granted by the board, or by the registrar for the board, on the sworn statement that a farmer's son or farm hand was working on the farm on March 23. In my view such procedure is in accord with the statement made by the Prime Minister and the Minister of National War Services when they interpreted the regulations or the law. Therefore the regulation should be amended. Too much discretion is given to the board. Subsection 3 of section 14 of the regulation reads:

> Unless it is established to the satisfaction of the board that such person is not an essential worker in agriculture.

It is very difficult for the board to decide upon a thing like that. As soon as the formality is completed I do not see how the board can say, without asking for further evidence, that a farmer is not an essential worker in agriculture. Of course the matter is most delicate, and I understand the difficulties of the minister, because there are some draftees who are under him until they go to the army, and then if while they are in the army they ask for leave, their case is decided by the board, which is under the authority of the minister. It is a most difficult situation; I understand the difficulties of the minister and I sympathize with him. Many a time I have been sent by his department to the Department of National Defence and by the Department of National Defence to his department, just to know who was responsible. Of course I understand very well that the registrars, who are far from Ottawa, have not the same opportunity to telephone to both departments in order to come to some agreement about it.

If I understand the matter aright the men are under the Minister of National War Services so long as they have not gone into the army, and when they are in the army they are under the Minister of National Defence.

Mr. THORSON: That is correct.

Mr. POULIOT: When they ask for leave and the leave is granted by their commanding officer it is of course a shorter leave, but then I presume they are still under the Department of National Defence. What I want to know is this: When they first get into the army and when they get leave from the national war services board, during that leave are they under the Minister of National War Services or the Minister of National Defence?

Mr. THORSON: If the application for leave comes from an R recruit, that is a person who has actually reported to a training centre, the leave is not granted by a national war services board but by the national defence unit. The application has come to the board for its recommendation; the actual leave is granted by an officer of the Department of National Defence, and the person who is on leave is still subject to the jurisdiction of the Department of National Defence, because he is still a soldier in the reserve army.

Mr. COLDWELL: May I be permitted a supplementary question? I received a letter this morning from a young man in Saskatchewan who had served one month in January, 1941. Lately he was recalled, and he applied to the board in Saskatchewan for a postponement, which was refused. Am I right in telling that young man to apply to the commanding officer of the unit to which he has now been called, or what is the situation?

Mr. THORSON: As soon as the thirty-day man had done his thirty days he was taken on the strength of a militia unit and thereby became a member of the reserve army, and subject to the reserve army regulations. Then each month the Minister of National Defence breaks up his requisition for men into so many new men who have done no training at all and so many who have done the thirty-day training but are to be recalled. When we recall a thirty-day man we do so for the Department of National Defence and in the name of the Minister of National Defence. It is a service we render for the Department of National Defence. We are authorized to deal with his application for postponement.

Mr. COLDWELL: How do these young farmers know? This is a young farmer who owns his own land in Saskatchewan; apparently he does not know where to apply for postponement.

Mr. THORSON: He will get his notice; it will be sent to him actually by our board.

Mr. COLDWELL: He has had that.

Mr. THORSON: And he may apply to our board for postponement.

Mr. COLDWELL: He has done that.

Mr. THORSON: Then if his application for postponement has been heard by the board and has been refused—

Mr. COLDWELL: That has been done.

Mr. THORSON: —that means he automatically is recalled and must report to the training centre. He is still however a member of the reserve army, of the militia unit to which he was attached when he finished his thirty days. There is nothing to bar him from applying to the commanding officer of his unit for leave, and as I see it he is the only person to whom he may apply for leave.

Mr. COLDWELL: What about the order in council of March 21?

Mr. THORSON: Order in council P.C. 1916, passed I think on March 12, applied only to persons who had been in the reserve army for less than three months. I do not think those regulations apply to the thirty-day men. But while they technically do not apply I believe the boards have heard applications for leave from those men. There is a difference between an application for postponement, which the board does determine, and an application for temporary leave. I hope I have made it clear to my hon. friend.

Mr. COLDWELL: Not quite. If the hon. member for Témiscouata will forgive me for pursuing this point, the order in council does not apply to the thirty-day men.

Mr. THORSON: I would not think so, because it applies specifically only to R recruits who have been in a training centre not more than three months.

Mr. COLDWELL: This man has been in a training centre less than three months.

Mr. HOMUTH: But he has belonged to a unit for more than three months.

Mr. THORSON: But immediately after the thirty-day training period was over he became attached to a reserve militia unit and therefore became subject to the reserve army regulations. Perhaps I should refer to the specific order in council.

Mr. COLDWELL: There is a great deal of confusion about this. Here is a young man who thought he came under the order in council, so he simply applied for postponement. Now he is doing his spring seeding, looking after his cattle and horses. He is alone on his farm. As a neighbour he has his father, who is a sick man. Suddenly he is called up; apparently he has applied for postponement and has been refused. He wants to know what he can do next. He is wondering how on earth he can dispose of his cattle and horses, and comply with the regulations.

Mr. THORSON: He has applied for postponement, and his application has been refused by the Saskatchewan board?

Mr. COLDWELL: Yes, although he is a genuine farmer, owning his own land.

Mr. THORSON: Well, I would imagine that is the end of it so far as that man is concerned.

Mr. COLDWELL: I can hardly conceive that this is the end of it so far as that man is concerned.

Mr. FLEMING: Did the minister not make the statement that all would be frozen in agriculture who were in agriculture as of a certain date?

Mr. HOMUTH: No, Mr. Chairman; the hon. member for Humboldt is absolutely wrong, and he should not answer for the minister. What the minister has said is that any boy who was unfortunate enough to be engaged in agriculture, who was called up for thirty-day training and did not belong to a reserve unit for more than three months—

Mr. FLEMING: He did not say that.

Mr. HOMUTH: —did not belong to a reserve unit for more than three months, had the opportunity of getting a postponement.

Mr. THORSON: I made no reference to persons engaged in agriculture in the case about which I was talking.

Mr. HOMUTH: The hon. member for Rosetown-Biggar was asking about it. Now then, if he had been called two months ago it would have been impossible for him to take the thirty-day training, because it is now four months' training; but anyone called up who was given thirty days of training and who belonged to a reserve unit automatically came under the Department of National Defence and was no longer under the Department of National War Services. The minister said so, in so many words. The only chance the man had was to appeal to his commanding officer.

Mr. FLEMING: Are you the new minister?

Mr. HOMUTH: No, but I could not do any worse. The situation is that the Prime Minister rose in this house and tried to explain the changes.

Mr. FLEMING: He did explain them.

Mr. HOMUTH: He did not explain them very clearly, because within a few weeks the Minister of National Defence rose and said those were not the regulations. Hon. members left this house for the Easter recess with the idea that men who already had been called to the army but who were required on the farms could go to their commanding officers or to some tribunal and be sent back to the farm. Well, it does not work out that way in this province. In Ontario these men appealed to the commanding officers. For three weeks the commanding officers said they knew nothing about it, that they had no authority. Finally the men were told that if they got a letter from the reeve of the township, or from a doctor, to say that their parents were unable to carry on, or from responsible citizens saying they were required on the farm, they could submit such letters not to the district tribunal but to the commanding officer. To-day commanding officers in Ontario are being driven nearly crazy trying to adjudicate these cases, because the department is putting it up to them. They say, "No, we are not going to let you off," and they refuse to release these boys. That is the situation in this province. I have had many cases of extreme need, but the commanding officers still say no. The whole thing has been passed from one to the other; it has been a case of simply passing the buck, until it has been passed right back to the commanding officer. He wants to keep his unit full; he is going to keep it full, and how can he decide whether or not a man is needed on the farm simply by some letters he may have before him? The result is that the men are not released; they have to remain with their units. That is the situation we have in Ontario.

Mr. THORSON: I dealt fully with the subject of applications for leave coming from persons who were under the jurisdiction of the Department of National Defence. It is all provided for by order in council P.C. 1916, dated March 12, 1942, which makes amendments to the reserve army (special) regulations, 1941, which govern these men. Section 5 of the amending order in council which amends section 23 of the reserve army (special) regulations, 1941, is the applicable section. In the first place it provides that a man called out for training in pursuance of the national war services regulations, 1940, and amendments thereto, may make application at any time within three months after having been enrolled and after having commenced his training as an R recruit, for leave of absence.

Mr. HOMUTH: Application to whom?

Mr. THORSON: Just a moment. Subsection (b) of the same paragraph outlines the procedure that he must follow and to whom he must make application. It specifies that the applicant must first apply in writing to the officer commanding the unit. The application must show the reasons and facts upon which it is based, together with statements corroborating the facts. These are to be made by statutory declaration or attestation under oath. The officer commanding will then transmit the application, with his recommendation, to the district officer commanding. The section goes on to say that the district officer commanding may forward the same; he need not do so. It is not mandatory upon him to forward the application; and the purpose in not making it mandatory is, as I explained last Monday, to guard against frivolous applications. But I also think I can say that any application with merit will go to the appropriate national war services board.

Mr. HOMUTH: What assurance has the minister in making that statement?

Mr. THORSON: My knowledge of the facts of the situation.

Mr. HOMUTH: Well, the knowledge of hon. members is just as clear, and perhaps more so.

Mr. THORSON: Will my hon. friend please keep his seat while I am making a statement in reply to him? The officer commanding may forward the application, with whatever recommendation or representation he may see fit to make, to the appropriate national war services board.

Let us assume that the application is now before the board. The order in council indicates the general principles that shall govern the board in dealing with these applications. They are stated in the order in council, section 23, subsection (a). It is pointed out that these applications are dealt with upon such circumstances, reasons or grounds being established as would have entitled the applicant when called out, *ab initio,* to postponement at the commencement of his training. In other words the national war services board deals with these applications for leave upon the same principle as it deals with applications for postponements. Then that board makes its recommendation in the matter.

The order in council provides that on receiving the recommendation of the board the district officer commanding will grant leave for the period recommended by the board. That is done, subject to one proviso, namely that whenever the exigencies of the military situation require that such leave be curtailed or refused, he may refer the board's recommendation to national defence headquarters for final decision. In other words it is mandatory upon the district officer commanding to act upon the recommendation made by the national war services board, apart from military exigencies. If such military exigencies arise he must refer it to national defence headquarters.

Mr. COLDWELL: The board may decide the application for leave on exactly the same grounds as if it had been an application for postponement, under the other regulations?

Mr. THORSON: Yes, exactly.

Mr. COLDWELL: If that is so, why is it that the young man in the position I have just described is not granted leave by the board?—unless the board refuses to recognize the decree of the government of Canada. That is what it amounts to.

Mr. THORSON: No; one would have to know the facts of the case, because each of the recommendations made by the board in respect of these applications for leave is a recommendation based upon facts before the board. I have no doubt that in refusing a person's application for leave the board would be governed by the same considerations as would have governed it in refusing an application for postponement. In other words, if it is the kind of case in which they would have granted a postponement, they would in all likelihood grant an application for leave. But if it is not, then they would not make any recommendation in favour of granting of leave. That is what is meant by the order in council.

Mr. COLDWELL: I do not know anything about this case, except that the facts, as presented to me are these. The young man who bought the farm in 1939 proceeded to farm and to stock it. He lives near his father, who is a semi-invalid. Therefore he farms also his father's land. The order in council provides that farm labour of an essential sort shall be frozen on the farm. If it provides that farm labour shall be frozen on the farm, would it not be logical to suppose that a young man of the type I have mentioned—and I am dealing with the facts as represented to me in a letter; I do not know the young man—would come under the postponement provisions?

Mr. FLEMING: He did have a postponement.

Mr. COLDWELL: No.

Mr. THORSON: I wonder if I might suggest to the hon. member for Rosetown-Biggar that a discussion of individual cases, in the absence of knowledge of specific facts, is perhaps not helpful. I should be glad to look into any facts or any cases of the kind the hon. member has mentioned.

Mr. COLDWELL: I have already written the minister with respect to this case, and he will probably receive my letter to-morrow or the next day. I seldom bring individual cases before the committee but I mention this one because it strikes me as the type of case an explanation of which might enable us to understand the regulations. I confess I do not understand them. I am asked for advice. According to what the minister now says, I gave wrong advice regarding a case of this kind when I was in western Canada at Easter.

Mr. THORSON: I have been dealing with applications for leave from persons under the jurisdiction of the Department of National Defence. Ordinarily of course it is a most anomalous situation to find that a person subject to army discipline should have his application for leave referred to a civilian board, or to an authority outside the actual

army. Ordinarily the army looks after applications for leave. However, the reasons for embarking upon this policy are as follows. First, it was desirable to deal with these applications for leave as uniformly as possible across Canada. No matter how great an effort is made it is not possible to obtain absolute uniformity. Second, the Department of National Defence said they were not equipped with the machinery to hear applications for leave in large numbers. Then there was a third consideration, that the boards had the files, knew the circumstances and the facts in the districts and had information with regard to the matters involved. Under those circumstances it was thought they could best pass upon the merits or otherwise of applications. Consequently an arrangement was worked out between the Department of National Defence, under whose jurisdiction this matter comes, and the Department of National War Services, whereby these boards might be placed at the disposal of the Department of National Defence to make recommendations with respect to applications for leave. These were the general reasons for working out the arrangement between the two departments. The order in council to which reference has been made is one amending the reserve army (special) regulations, 1941.

Mr. FLEMING: What instructions were given to the divisional registrars after the Prime Minister's statement was made in the house? It will be remembered that the divisional registrars came here to Ottawa. What instructions were given to the various boards?

Mr. THORSON: Would the hon. member for Humboldt be more specific and indicate what particular subject he has in mind? Perhaps I would then be able to deal with his question.

Mr. FLEMING: It was based on the statement of the Prime Minister that men were needed in agriculture and that if these men were called up by the various boards, the onus would be upon the board, not upon the men. But when you go to the Department of National War Services to discuss this matter you are told one thing, while the boards tell us that they have another set of instructions. There seems to be some difference between the instructions given to the various boards which came down here a month or so ago and what we find out when we interview the department.

[Mr. Thorson.]

Mr. THORSON: Perhaps I can reply to the hon. member for Humboldt and the hon. member for Témiscouata at the same time, because they have both raised the same points.

I issued a press release dated April 17 which I placed on *Hansard* a week ago today. As soon as that press release was issued I sent a copy to every member of the House of Commons and every member of the Senate, as well as to all administrative divisions. As I indicated last Monday, we had a conference in Ottawa on April 23, 24 and 25 of the chairmen of the boards and the divisional registrars. The purpose of that conference was to consider the regulations, to suggest amendments and to consider administrative matters; in other words, to see whether the regulations could be improved in order to make them more workable and more adaptable to the specific purpose for which they were designed. At that conference there was a full discussion of the national war services regulations which were put into effect by order in council P.C. 2252. The hon. member for Témiscouata has referred to a particular phrase in the order in council. I think I should deal with this, and in so doing I think I may be able to answer the hon. member for Humboldt as well. Section 5 of order in council P.C. 2252, which becomes section 14, subsection 3 of the national war services regulations, contains this provision:

> Notwithstanding the provisions of subsections (1) and (2) of this section,—

That is section 14.

> —the board shall, from time to time upon the application of a person wholly or mainly employed in agriculture, grant him a postponement order until further notice,—

That is the mandatory part of the order in council. It will be noted that the person must apply. It will be noted also that the person referred to in this subsection is a person who is wholly or mainly employed in agriculture. It follows, therefore, that if such person who is wholly or mainly employed in agriculture within the meaning of that term as defined in order in council P.C. 2252 makes application for postponement, the board shall grant him postponement until further notice. The purpose of the order in council is contained in that mandatory direction to the board contained in the regulation.

However, I should go on and deal with the proviso which the hon. member for Témiscouata referred to in his remarks to the committee. I have read the first part of section

5 of order in council P.C. 2252. If I may proceed from where I left off, the section goes on to say:

. . . unless 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 subsequent to the 23rd day of March, 1942, ceased to be actually employed or engaged in agriculture or in a primary industry.

The purpose of that proviso is curative. It is not the governing part of the regulations; it is intended to ensure that persons who ought not to be covered by the regulations will not be covered by them, and it has no other purpose. Consistently with government policy in the matter, the intent of the regulations is that all persons wholly or mainly employed in agriculture, as the term is defined in the regulations, shall be held for the purposes of agriculture, held for the particular purpose that I mentioned earlier this afternoon. But it is not intended that persons shall get in under the wing of those regulations who should not do so, and therefore this proviso is put in. It is curative so that there will be no abuse of the regulations.

Mr. FLEMING: What if the board does not act?

Mr. THORSON: Please allow me to proceed. The intent of the regulations was set out by the Prime Minister in the speech that he made in this house on March 24, and the intent is also contained in the regulations. I think I have indicated the intent in the remarks I have just made. This means, as I think I clearly stated in the press release, that there has been a fundamental change of approach with regard to persons wholly or mainly employed in agriculture, within the meaning of that term. Previously the regulations were based upon the idea that the man who was physically fit might be postponed as to his military training on one ground or another, but that when that period of postponement was concluded he was meant for the armed forces of this country. These new regulations make a change in that approach; for they provide that when this man gets his postponement order, until further notice he is allocated to the purposes of agriculture. That is the intent of the regulations. There has been a shift of base with regard to the regulations. That is now the governing policy.

Individual cases will come up. A man who is wholly or mainly employed in agriculture must make his application for postponement if he desires postponement; when he shows that he is wholly or mainly employed in agriculture he has established a prima facie case, and he is prima facie entitled to a postponement order until further notice.

Mr. COLDWELL: In the case of R recruits—

Mr. THORSON: Let us not complicate the situation, if my hon. friend will permit me, just for the moment.

Mr. COLDWELL: I am quite willing.

Mr. THORSON: In most of the cases that come up, I would say in the vast majority of cases, there are no difficulties at all. But there may be individual cases. Let us take some individual cases, the kind or type of case that might come up, just as an illustration.

Suppose there is a family of five sons, and one of the sons is called up. He makes his application for a postponement order until further notice on the ground that he is wholly or mainly employed in agriculture. His case comes before the board. An investigation shows that he is really a person of comparatively little importance so far as that farm is concerned. That does not altogether dispose of the case. The board must grant that man's application for postponement unless it is established to the satisfaction of the board that he is not an essential worker in agriculture. The onus is a negative onus, which is very often a difficult onus to discharge. Essential to agriculture does not necessarily mean essential to a particular farm. "Not essential to agriculture" is a question of fact, to be found by the board in the light of all the circumstances. I do not think I could go further than that, after indicating what the policy is and also indicating, as I wish to do specifically, that the proviso is purely curative, purely for the purpose of preventing possible abuses of the regulations. The proviso is not the governing part of the section. All the questions under that are questions of fact, to be found by the board in the light of all the circumstances concerning that particular person's case. It may be an easy fact to find on one set of circumstances, and a difficult fact to find on a different set of circumstances. Circumstances may be of such a nature that if they were submitted to one jury, one jury would find one way, and if they were submitted to another jury it might find differently. That is true with regard to questions of fact. It is left to the board to find that question of fact, namely, "not essential to agriculture." I do not think I can go further than that.

Mr. COLDWELL: The Prime Minister did not give that impression to the house when he spoke on March 24.

Mr. THORSON: I think he did.

Mr. COLDWELL: The Prime Minister, on March 24, at page 1567 of *Hansard,* used these words:

Under the new regulations, farmers, farmers' sons and agricultural labourers will normally—

Mr. THORSON: Yes, normally.

Mr. COLDWELL: It goes on:

—will normally not be obliged to undertake compulsory military training and service.

Mr. THORSON: That is correct.

Mr. COLDWELL: It goes on:

It is realized, however, that in a limited number of cases, men on the farms are not, in fact, essential agricultural workers.

Mr. THORSON: That is right.

Mr. COLDWELL: But:

If it is established to the satisfaction of the national war services boards concerned that such persons are not essential workers in agriculture, they will continue to be called for service in the appropriate age groups.

The point I was trying to have made clear, so that we may be able to advise those who make inquiry of us, is this. I am not arguing whether it is right to exempt a class as a class; in fact, I am a little doubtful of that myself, but it is being done. The question I raised I wish to have clarified, and it is not clear yet. The statement of facts I have given may be wrong, but let us suppose it is right. Here is a young farmer who has owned and operated his own farm since 1939—he did not buy it to get out of military service—and at the same time has been assisting his father who is partly incapacitated. This young farmer is called up, after having done thirty days' training in January, 1941.

Mr. THORSON: But he is in the army.

Mr. BROOKS: Was his father incapacitated in 1939?

Mr. COLDWELL: I could not tell you.

Mr. BROOKS: Quite a number bought farms to escape military service.

Mr. COLDWELL: Assume that the facts are as I have stated them. He bought this farm before war broke out. He has done his thirty days' training. He applies to the board for postponement, he tells me, and is refused. Now he is faced with the necessity of selling his stock and equipment, and his farm, if he can dispose of it. The minister says he should apply to his commanding officer for leave, and that the commanding officer "may"—not "shall"—

Mr. THORSON: The commanding officer must forward the application to the district officer commanding.

Mr. COLDWELL: Well, the district officer commanding "may"—not "must"—refer the case to the war services board for a decision.

Mr. THORSON: Yes.

Mr. COLDWELL: He "may"—not "must". In other words he may be the last word if he wishes. But suppose he does refer it. Then the minister says the case should be decided on the same grounds as though it were a case of application for postponement.

Mr. THORSON: That is right.

Mr. COLDWELL: This young man did not know to whom to apply. Who is the commanding officer to whom he should apply?

Mr. THORSON: His militia unit.

Mr. CASTLEDEN: May I ask, with regard to the mandatory part of the regulations—

Mr. THORSON: Before my hon. friend puts his question, may I make this statement.

Mr. COLDWELL: I should like to have the interpretation of the Prime Minister's statement.

Mr. THORSON: I think what I have been saying this afternoon is exactly in line with what the Prime Minister said on March 24. The Prime Minister, as reported on page 1567 of *Hansard,* used these words, which were quoted by the hon. member for Rosetown-Biggar:

Under the new regulations farmers, farmers' sons, and agricultural labourers will normally not be obliged to undertake compulsory military training and service.

I put it this way, that the first part of the subsection which I quoted was mandatory, namely:

Notwithstanding the provisions of subsections 1 and 2 of this section, the board shall, from time to time, upon the application of a person wholly or mainly employed in agriculture, grant him a postponement.

That was the main statement of the policy.

Mr. COLDWELL: What is the minister's interpretation of "normally"?

Mr. THORSON: I would say that that is the governing principle. If a man is wholly or mainly employed in agriculture, the board shall grant him a postponement order. We are dealing with a specific point.

Mr. COLDWELL: But it is realized that in a limited number of cases men on farms are not essential to agriculture. For instance, if a man has three or four sons on a farm.

Mr. THORSON: I had in mind a limited number of cases, and that is what I meant by saying that the purpose of the proviso was purely curative and to prevent abuses, and was not the governing part of the section. I put in different phraseology exactly the same ideas as were announced by the Prime Minister, that the normal rule is that the man should get his postponement order. It is only in the exceptional cases that he should be regarded as not essential. In each case it is a question of fact. There may be more persons not essential to agriculture in one locality than in another. Let me make this statement by way of illustration. A man might be in one agricultural area; he might be one of five sons. The farm might possibly be quite competently run with two or three sons. It does not follow of necessity that the remaining two sons, say, are not essential workers in agriculture; they may be needed in agriculture somewhere else.

Mr. COLDWELL: No dispute about that.

Mr. THORSON: A question of fact might come into the discussion. In one district there might be a great demand for agricultural labourers, and the two sons in the family I have mentioned, who might not be necessary at all for the purposes of that particular farm, might be necessary in the area. Well, they are not unessential to agriculture.

Mr. COLDWELL: Take the case I have mentioned to the minister. There is one son, farming and helping his father. Is he not essential? Is that not a prima facie case?

Mr. THORSON: I know the hon. member will not wish me to express an opinion with regard to a question of fact without knowing all the surrounding facts. That is why I invited him to let me have the particulars so that I may have the case looked into.

Let me, however, continue with the illustration of the point we have been discussing. In another area there might be five sons and only two of them are required for that farm. The other three are not needed for that farm, may not be needed for any agricultural purposes in the neighbourhood or in the district and may not be able to go anywhere else in Canada where perhaps they might be absorbed. These are the facts that would have to be taken into consideration, and it might be quite proper to regard one person in one of the situations I have mentioned as being not essential to agriculture and quite improper to say of another person in a different locality that he is not essential to agriculture.

I have sought to illustrate what I have in mind by examples, and I think I have indicated this afternoon precisely the same matters the Prime Minister stated on the floor of the house. May I say to the hon. member for Humboldt (Mr. Fleming) that if he will give me the cases he has in mind I will have them looked into. I have investigated a tremendous number of cases from the hon. member for Humboldt, but I shall be glad to have those he has in mind looked into.

Mr. HOMUTH: Why should that be necessary?

Mr. THORSON: It should not be necessary.

Mr. McDONALD (Pontiac): Has any man, other than the farmer called under the act, the right to ask for postponement?

Mr. THORSON: Oh, yes.

Mr. McDONALD (Pontiac): Let me submit a case that happened in one district within the last week. I do so to call attention, not to a special case, but to ascertain if the conduct of the officer in that district as cited in this instance is exemplary of all of them. Anybody who makes application for postponement there is simply wasting his time. The firm with which this young man is employed gave him a letter addressed to the registrar of the district. He proceeded to the registrar's office and asked to meet the registrar to whom the letter was addressed. He was met by an official, some understrapper, who had the nerve and audacity to say to him, "There are too many of you fellows looking for postponement." I submit, sir, that he had no right to make that statement. Had I been present I would have said to this gentleman, "It is absolutely none of your business." However, he proceeded to tell this man, "You will be advised in a day or two; the committee will sit on your case to-morrow." He left there, returned home and—a curious coincidence—by the time he arrived home a letter was received in the mail by the firm with which he was employed informing him that postponement could not be granted and that he was to report for duty on a certain date.

I contend that the case was never submitted to the registrar or the board, because the date of the letter corresponds exactly with the time of the young man's departure from the office; the arrival of the letter at its destination coincides with the time that would elapse for its dictation immediately

after his departure, and it is signed not by the registrar personally but by a stamp with the initials of the other individual who told the young man that there were too many making applications for postponement.

It has been said here that every young man called for service receives a notice indicating that he has so many days within which to make an appeal. I am not going to contradict that statement except to this extent. I personally investigated at least five of these notices and failed in any instance to discover that these young men were notified to that effect. Only last Saturday I had a visit from a farmer whose only son was called for service. Another son is overseas. This farmer came to ask me if I could do anything for this son who was still on the farm. I said, "Absolutely nothing; submit your case to the registrar of the district in Montreal. But your son should send in notice making application for postponement." This young man has been always on the farm, and by virtue of the order in council of March 24 he is entitled to exemption. I studied the order that young man received, and I did not see any notice informing him that he had eight days within which he had a right to make an appeal. I do not want to be critical; but if the case I have cited is at all indicative of the treatment young men are receiving in that office, the officials there are going far beyond their duty, and it is not a system conducive to confidence in the administration of the regulations.

Mr. FLEMING: The minister made a statement about certain cases that would be mandatory. But if the board pay no attention to that, what is the answer? In Saskatchewan—I am sure there are hon. members here from Saskatchewan who will bear me out—there are dozens of cases called up in that way having the attributes that the minister has pointed out make it mandatory that the board grant postponement, but they refuse to grant it. What is the answer?

Mr. HOMUTH: You are sunk.

Mr. FLEMING: Should one instruct these people not to report? That is what I have been thinking of doing.

Mr. THORSON: Certainly not. I would point out that each of these boards is composed of three persons. The chairman in each case is a judge of the superior court or other court of the province in which the major portion of the administrative division is located. At hearings of the board four representatives have a right to be present and make representations to the board: a representative of the Department of National Defence, a representative of the national war labour board, a representative of agriculture and a representative of the director of national selective service. To these boards we entrust the task of deciding upon applications for postponement of military training. We do our best to pick a board presided over by a superior court judge. We have had two conferences of these boards for the purpose of discussing how best we can make these regulations work, how we can make them most adaptable to the purposes for which they were devised.

The hon. member for Humboldt has put to me a question which I could not answer if his premise is correct. Whether or not his premise is correct I cannot judge. I cannot agree with him with regard to it when I know that a great many applications for postponement have been made and have been granted. I am not going to assume that a board is going to flout the regulations and act in the teeth of them when I know the manner in which the boards have attempted to carry out these regulations across Canada. After all, the purpose of the boards is to fill the requisitions that come to the Department of National War Services from the Department of National Defence; it is not the primary purpose of the boards to grant applications for postponement. The remarks of a number of hon. members seem to indicate that that is their view.

With regard to the statement of the hon. member for Pontiac about the notice containing no statement that the man has a right to apply for postponement within eight days, my understanding was that the notice to report for medical examination is a printed notice and that it contains a statement to the effect that he has that right. If my hon. friend will give me the particulars of this case I shall be glad to have it looked into, because I am exceedingly anxious that these regulations shall be administered with the utmost integrity. If there is any case in which any hon. member feels that an injustice has been done, if he will bring that case to my attention I shall have the facts looked into.

Mr. HOMUTH: I do not want to interrupt the minister, but might I say—

Mr. THORSON: Will my hon. friend please sit down while I have the floor?

Mr. HOMUTH: If the minister does not want to extend any courtesy, go ahead, I would expect that from him anyway.

Mr. THORSON: I am anxious that these regulations shall be administered with integrity. I am anxious that they shall not be used

for any purpose other than that for which they are designed, that of calling up men properly for military training. I think the boards have dealt with applications for postponements judicially and, I believe, sympathetically. The thought I want to leave with members of the committee is that these regulations are part of a law for mobilization, not for demobilization or the granting of postponements. Though there may be criticism of certain individual decisions, I think there will be general agreement that the boards have administered these regulations well.

Mr. HOMUTH: I am not going to ask the minister a question, because I would not expect an answer; but the more I hear him try to describe this matter, the greater the fog becomes. His answer to the question asked by the hon. member for Pontiac indicates that apparently he does not himself know what the notices contain. The medical notice is the one in which the man is notified that he may ask for a postponement, but he must do so within eight days. The notice of call does not so state. I am just answering the hon. member for Pontiac, because apparently the minister does not know.

Mr. POULIOT: When the hon. member for Waterloo South rose I was just in the act of writing him a note, which says, "Your previous remarks were to the point. Why do you spoil the effect?" I have been dealing with the minister enough to be able to tell the hon. member for Waterloo South that the best way to deal with him is for my hon. friend to adopt his sweetest voice and talk agreeably, and I am sure he can do that without any effort.

I have no complaint against the government, but I do complain about the pressure of work on certain officials so that they are unable to give sufficient time to each case coming before them. I fully agree with what was said by the hon. member for Pontiac; there are cases like that, and cases such as those mentioned by the hon. member for Waterloo South have also occurred in my own constituency. There are young boys who are posted as deserters just because they took it for granted that farmers were exempt from training until further notice. The statement that in future farmers would be practically exempt from service was given wide publicity in the newspapers, until the correction was made, not by the Prime Minister, not by the Minister of National War Services, but by the Minister of Labour, who said that the Prime Minister's statement should not be interpreted in that way. Therefore it seems to me that the authorities should be very lenient with regard to boys who have acted in good faith, who have completed the first part of their training and who have been induced into error because of the headlines which have appeared in the press.

Of course the trouble with the boards is that they wait too long in sending out their notices. They wait until the last moment, and then the young men have not sufficient time to present their cases to the board and supplement them with the required evidence. There should be a joint sitting attended by the Minister of National War Services, the Minister of National Defence and the Minister of Justice, in order that we might have a definite interpretation not only of the national war service regulations but also of the reserve army (special) regulations. This is a new kind of regulation, which is not part of King's Regulations and Orders; it is new because of the fact that trainees or draftees are called up by the Minister of National War Services and later come under the jurisdiction of the defence minister. I have before me the remarks of the Minister of National Defence on April 23 with regard to farming. He made himself very clear about the importance of farming when, as reported at page 1896 of *Hansard,* he said:

> I do not know of any occupation in Canada —I think I am correct in saying this—the utility and usefulness of which in connection with the war activity has been so recognized as the farming industry.

This was the general tenor of the statements made by everyone with regard to the farming industry. But when it came to the farmers who were in the army, under his own jurisdiction, the Minister of National Defence adopted an entirely different tone. The hon. member for Lake Centre and a member of the Cooperative Commonwealth Federation group asked questions, and, as reported at page 1897 the minister said:

> But no matter what the facts are, I shall have inquiry made, because if there is anything understood by the Department of National Defence it is that we have not much call on the agricultural community from now on as far as calling up men under the National Resources Mobilization Act is concerned.

Then a little later he goes on:

> But I do feel that members of the committee ought not to expect me, as head of the Department of National Defence, endeavouring to mobilize, train and prepare an army for operation, to allow men in large numbers to go even for seeding operations. They are members of the army now; they had opportunity to apply for postponement; they did not, and I submit it is not fair at this time to ask that I simply issue a blanket order and say to the men, "Go home and do your seeding and then come back."

It is to my personal knowledge, as it must be to the personal knowledge of the Minister of National War Services, that the Minister of National Defence was wrongly informed. He says they did not apply for postponement. They did, in a very large number of cases. The answer of the board was, "You had a first postponement. We can give you a second, which will be the last". Then, when they got the second they were told, "You may have a third, but it will be the last".

The minister will recall that on many occasions I have brought the matter to his attention. I asked him for a ruling, sir, and to notify the board. The matter was definitely stated by the minister in the house. He set out the regulations, but I had to ask him to get in touch with the board, in order to give them a definite interpretation.

Mark you, the minister was in a false position because the ruling of the board was final. He had no authority over the board, but could only appeal to it. No one can appeal from such a board; he is limited to an appeal to it to reconsider a case. If the board cares to reconsider, all right. On the other hand, if it is as bold as the commissioner to whom I spoke at the end of last week, the commissioner who told me that it was final—finished—the situation is somewhat different. I asked him, "Will you reconsider it?" He said, "I cannot do that; I look after only war industries." I said, "Well although the chairman is away, two of you are together, and form a quorum; you could reconsider the case." He said, "The other one looks after farmers." Imagine! The case was a most meritorious and deserving one. It is precisely the one I mentioned to the minister not long ago involving an orphan who supports the family. His father and mother are dead, and this boy looks after his little brothers and sisters. He is an expert mechanic.

I hold in my hand a certificate from a man for whom I have the most profound respect. I refer to the Reverend E. P. Roy, an elderly gentleman who is the parish priest of both the boy and myself. His letter, dated at Rivière du Loup on May 16, 1942, may be translated as follows:

> I, the undersigned parish priest of St. Patrick's Rivière du Loup, certify that Mr. L. P . . . , since the death of his parents, is the only support of a family of five children, who are absolutely without any other support, and who will have to beg for their bread if they cannot rely on him. This would be definitely an error. I consider in justice and charity that that young man should be exempted.

The letter is signed by the Rev. E. P. Roy, parish priest.

[Mr. Pouliot.]

Then, I have a doctor's certificate, and a sworn statement by the party concerned to the effect that he is the only support of the family. I send these to the minister, and I do so in public; I have nothing to hide. I am sorry to have to trouble the minister about this matter, but when I am turned down by a commissioner who knows nothing about his business, a commissioner like the one I spoke to over the long-distance telephone, I find it very sad. This is a case of serious hardship, and one worthy of consideration. Are these children to be sent to an orphanage because a man is not given consideration by the board? On the file I sent the minister there is a certificate from the young man's employer. Already several of his employees have gone into the army. The only ones left, besides his mechanic, are those men who are unfit for military service.

Therefore I say there are three counts to consider. I called this man, who was not appointed on my recommendation, but who was bold enough to answer in the way I have described. That is not the way to answer members of parliament. We make no money from this kind of work. We seek no fee, but do it just to help our people. I protest strongly against the decision reached by one of the ministers in the early days of the war, when he said that all persons, except members of parliament, should look after cases of this kind.

Is there any man more widely known—I would not say better known—in his constituency than the member of parliament? When there are any difficulties about federal matters the people go to him in confidence. I receive Tories as well as Liberals—if there are any Tories left in my constituency. I receive them just as freely as Liberals, and try to help them. I am always available to help them in matters like this. I believe it is my duty to do so, and I do not do it to get votes. When they say to me, "I will vote for you at the next election," I say, "Do not make any such promise. If you feel like voting for me, all right. But do not make that promise, because you are exposed to betraying your promise if you feel later that you have made a bad bargain." It is my duty to help my constituents, and I am delighted to do so. We are now told that members of parliament have not the right to make representations as members. They have the right as doctors, mayors, lawyers or solicitors, but as members of parliament they have not that right. They cannot act when people come to them precisely because they rely on their members to give them a hand in such cases.

I would ask the minister and his colleagues to consider the case I have brought before them, so that there may be an appeal from the board. If the matter is rectified he will have much less trouble in his department than he might have, through grievances which may arise. These men may be honest, but they are not infallible. There is more genius in two heads than in one, and when there is the right to appeal there are better results from two boards, than from only one. That was done during the last war, and it worked out very well.

There is a further point to consider. If these regulations were drafted in this way, and if the subtitle of section 14 referred to seasonal occupations such as agriculture, fishing, et cetera, the reference was made precisely because after the capitulation of France it was thought that our enemies would invade this country, and that all men of military age should have some training and be ready to repel an attack or invasion. That was the spirit of the law, and precisely the reason why there was a short time for training, and why farmers were classed as those having seasonal occupations. Afterwards the period of training was changed from one month to four months and, in spite of what had been declared by General Crerar, farmers were told that one month's training was not enough, and that they would need four months. They were told, "Afterwards you will be free to go back on the farm." But that was changed by the Minister of National Defence himself, in virtue of an order in council giving him wide powers. It changed completely the condition in which farmers found themselves.

Farmers were ready to leave for a month. They made the sacrifice of going for training for that length of time. Afterwards, however, they could not leave the army. The general staff found a new way to evade the law. They did not leave those trainees in their districts, but moved them to the Pacific and Atlantic coasts, in order to change the district, in which they would train.

How can men who are not in the active army, who are just trainees or draftees but who are located either in British Columbia or in Nova Scotia, get leave from their commanders when they are told that they must transfer their requests for leave to the boards? What does a board in British Columbia or in Nova Scotia know about the conditions that face a farmer in Quebec, or that face a hundred or a thousand farmers in that province? They may know something about their own provinces, but they know nothing about the conditions that face the farmers in our county. It happens also that the commissioners know very little about what happens in their own provinces. Here is a sad case. If the Minister of National Defence is going to refuse draftees the right to have leave, it should be said openly so that we may know. He should not say that a chance will be given to the farmers when he is unwilling to give them that chance. He went on to say, as reported on page 1900 of *Hansard*:

> That would be taking into consideration another matter altogether, namely, the national interest. They find a man in the army, and they do not take him out on compassionate grounds because of the fact that he has to operate a farm.
>
> Mr. White: What does the minister mean by "compassionate grounds"?
>
> Mr. Ralston: That is a general term used in the army in connection with leave, and may cover half a dozen cases.

It is not compassionate grounds; it is a question of national interest, as the minister rightly said a moment ago. It is a matter of national interest that farmers should operate their farms; it is not a matter of compassion. Then the Minister of National Defence went on to say, as reported on page 1901 of *Hansard*:

> I want to say to my hon. friend that he and the hon. member for Lake Centre are the first two I have ever heard say that the Prime Minister said anything about leave to men already in the army.

Then he went on to say:

> But if my hon. friend or the hon. member for Lake Centre has a statement by the Prime Minister where the Prime Minister said that leave was to be granted from the army for men to go on farm leave, I should like to see it.

There was a statement by the hon. member for Hastings-Peterborough, and then the minister continued:

> I have said that I have no idea of a single case having been granted. I have said, too, that Mr. Bickerton, the president of a farm group in Saskatchewan, is the only one whose communication has come to my attention.

It seems that the Minister of National Defence makes a distinction between trainees who have not come to the camp and who ask for postponement and draftees already in the army who ask for leave. In the first instance, he says that they should ask for postponement, and in the second instance, he is reported on page 1902 of *Hansard* as saying:

> I said about those cases that if they were men who were in farming occupations wholly or mainly, I would take the matter up.

He promised he would take the matter up, and it is important that it should be taken up. I have already quoted the case of a young man who had six months leave and was sent to Nanaimo, and I was told that the department would look after him. But that is only

one case among many, and it is important to see that these abuses do not occur again. It is all right to say that one loves the farmer, but love should be more practical than that. The Minister of National Defence, when he filled out his registration card, said that he had milked cows for three months, but when he ceased to do that after the three months he ceased to be indispensable as a farmer. But other farmers do that the year round; their usefulness does not stop, and they deserve consideration. I submit these matters to the minister in the hope that he will take them under consideration, and I may have two or three question to ask him later on.

Mr. DIEFENBAKER: In view of the attitude taken by the minister that he would welcome any suggestions that might be offered to improve the operation of the regulations under which men are called for service and under the provisions of which postponements are granted, I have a few suggestions to offer. When the Prime Minister (Mr. Mackenzie King) spoke in the house on March 24 he left the people of Canada under the impression that in so far as farmers were concerned, they would be entitled generally to postponement. This same idea was conveyed in the April, 1942, issue of "Canada at War", where it is stated at page 8:

> Emphasizing the vital role being played in this war by food, farmers, their sons and farm labourers are granted an indefinite postponement of compulsory military service if they are doing essential farm work.

Without entering in any way into a discussion as to whether or not the announcement made by the Prime Minister was generally acceptable to those engaged in agriculture, I do say that such principle was enunciated by him and restated in "Canada at War". What is being contended this afternoon, and as I contended on April 23, is that the major complaint is to the "un-uniformity", if I may use that expression, of the administration of the regulations, and it is to this that criticism is being particularly directed. The regulations are all right, but there is nothing in them whereby any board can be required to live within their terms. There is only one way in which an individual may insist under our law on the performance of a duty by an administrative body, and that is by way of mandamus or by way of one of the prerogative writs. All those rights have been taken away by the regulations. Therefore, when it is said that the regulations are mandatory, that means nothing. It just means that something shall be done, but if it is not done there is no right on the part of him against whom there has been discrimination to enforce his legal rights. In other words, if a person had all the rights in the world and was not in a position to enforce those rights, they are non-existent unless the administrative body charged with the administration of the law is prepared to follow the law.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. DIEFENBAKER: Just before six o'clock I was dealing with the regulations which establish the rights of persons who are called up for service to seek postponement. I think we shall all agree that when postponements are to be granted they should be granted in an equitable manner to the end that in the interpretation and administration of the regulations there shall be as nearly as possible uniformity in all the provinces. As the regulations stand to-day, the only appeal that can be taken is an appeal to the board in each of the provinces, the decision of the board being final. The result of that may very well be that in one province the board will interpret the regulations in a manner different from the interpretation given in another province. As the regulations are, while in one province a man may be granted a postponement when he applies, on the basis of being a person "wholly or mainly employed in agriculture", in another province the board may not see fit, on similar facts and under similar circumstances, to grant such postponement.

It was stated by the minister that the wording is mandatory, that is to say, that the board "shall from time to time, upon the application of a person wholly or mainly employed in agriculture", grant him a postponement. True enough, the section is mandatory; but there is no provision whereby a person entitled to his postponement and denied that postponement may make further application either by way of appeal or to the courts. Under the regulations, section 8 provides:

> No proceeding authorized or pending before an appeal board, and no decision of a board, shall by means of an injunction, prohibition, mandamus, certiorari, habeas corpus or other process, issuing out of court, be enjoined, restrained, stayed, removed or subjected to review or consideration on any ground whether arising out of alleged absence of jurisdiction in an appeal board, nullity, defect or irregularity of the proceedings, or any cause whatsoever, nor shall any such proceedings or decision be questioned, reviewed or reconsidered.

A reading of that section establishes clearly that regardless of the merits an individual may have to obtain a postponement, he is denied that right, and the prerogative writs that ordinarily prevail under British law to assure to a person, who is entitled to the mandatory performance of an act, have been denied under that section. The result is that in parts of the country, a strict and stringent administration is taking place, while in other provinces, upon similar facts, postponements are being granted.

I think the minister will agree that if one thing must be insisted on, it is that in the administration of these regulations there should be, as nearly as humanly possible, uniformity; otherwise the result may well be that a feeling of suspicion may be aroused. In my opinion the minister should consider the setting up of a final appeal board similar to that provided by the Military Service Act in 1917, whereby, by appointment of the governor in council, one of the judges of the Supreme Court of Canada should act as a central appeal judge. In that way, if any provincial board is failing to carry out properly the provisions of the regulations, or in so doing is discriminating against any person within its jurisdiction, there may be an appeal to the central authority. Only in that way can we secure uniformity of administration consistent with the proper application of the law.

While in the matter of appeal it might be argued that if it was not necessary for men called up for service to have to report until such time as the decision was handed down, the difficulty that might arise on appeals being taken could very well be obviated by a provision denying a stay of proceedings pending the decision. This afternoon someone suggested that if a man was called up and was entitled under the regulations to postponement, but had been refused and failed to report and was prosecuted, he would then have the opportunity of stating to the court that he had been wrongly called, being entitled to his postponement and could successfully defend himself. But a reading of section 30 shows otherwise:

> Every man called out pursuant to these regulations who fails or refuses to submit himself for medical examination within the time limited by and in accordance with the terms of any notice given to him by the divisional registrar requiring him to submit himself for medical examination shall be guilty of an offence.

Section 31 provides:

> Every man called out pursuant to these regulations and placed by an examining physician in a category in which men so placed are considered fit for military training who fails or refuses to report within the time limited . . . shall be guilty of an offence.

Therefore the position of affairs is this. Regardless of the merits of his case a man has no right to-day to ask the crown or the military authorities to show cause on an appeal to a central appeal court or by resort to a prerogative writ that he is not entitled to postponement. It would have been much better, instead of having the National Resources Mobilization Act administered under regulations, to have made provision by statute as was done in the Military Service Act of 1917. The regulations as they are to-day are so worded that they deny to many the right to postponement, who are entitled to that postponement and, on the other hand, might operate against the crown where postponement might be granted arbitrarily by the provincial board, whereas under the facts of the case postponement ought not to be granted.

I suggest that the minister give consideration to the establishment of a judicial final tribunal here in the city of Ottawa. It is not going to be a costly proceeding. It will do no harm, nor will it delay the military effort of this dominion, but it will assure one thing and that is that the man who lives, say in Prince Edward Island and is called up to service will know that the same type of administration is going to be applied in his case as is being followed in British Columbia. To have any other basis of administration may raise suspicion as between province and province, denied as a man is to-day those rights of British jurisprudence which assure him the performance of mandatory rights under the law. To-day a man who is called up for service has certain mandatory rights under the regulations, but if they are denied to him he has no recourse at law. He cannot go to the minister and say, "There has been a decision made against me and I am entitled to a postponement". The door is closed to the most definite rights provided for by regulation.

If the idea that I suggest is accepted, the minister will be relieved of the many hundreds of applications that are to-day being made to him. If I understood him aright this afternoon, representations are made to him regularly, and upon receiving them he communicates with the provincial boards. In that case, where one man in consequence of representations made by the minister secures postponement, while another man under similar circumstances who does not make application is ordered up for service, there is bound to be suspicion which might very well be obviated by the simple expedient of appointing as a judicial final tribunal composed of a judge of the Supreme Court of Canada.

I would suggest, too, from a reading of these regulations that they contain many incongruous provisions, and they might very well be

submitted, if not to parliament itself, with a statute introduced in that behalf, at least to a committee of parliament to the end that equality will be secured among all the people across this dominion and that uniformity of administration will be ensured.

Mr. THORSON: I should like at the outset to express my great appreciation of the contribution to the discussion made by the hon. member for Lake Centre. He has put forward in a clear-cut manner the argument that there ought to be established a central court of appeal or board of appeal which would hear appeals from all the divisional boards across Canada with a view to obtaining uniformity of decision. I appreciate very much indeed the argument that he has put forward and the clarity of his statement of the grounds for it.

The general opinion thus far has been against the setting up of a central court of appeal, and in coming to that view the authorities had in mind the experience of the last war—the Military Service Act, with its great multiplicity of tribunals, and its appeals ending with an appeal to the Chief Justice of Canada. Some of those appeals dragged on for months. It was with the deliberate purpose of avoiding a repetition of what occurred then that the divisional boards were set up, each one presided over by a superior court judge or a judge of some other court in the province where the major portion of the administrative division was located.

I imagine it was for that reason also that provisions were put into the statute to the effect that the decisions of the administrative boards should be final, that they should not be reviewable by mandamus or injunction or the other various procedures to which the hon. member for Lake Centre referred. He has quoted two sections of the regulations, sections 8 and 30 which, I think, make that intent clear.

The expectation was that the questions involved in an application for postponement are questions of fact. I do not think any questions of law are involved. Perhaps when I make that statement I make it a little too broad. Let me content myself by saying that in the main all the questions that come before these boards are questions of fact. Questions of fact are not all the same. The considerations operating in each one of the provinces are not all the same. But if you ask a board presided over by a superior court judge to deal with questions of fact that come before the board you go a long way toward uniformity, perhaps as far toward uniformity as it is possible to go when you are dealing with questions of fact.

It is quite true that when you have questions of fact coming before boards, one board may attach greater weight to one particular fact than another board might do. Then, too, considerations in the various provinces differ. One province may be mainly agricultural, with the board thoroughly understanding the importance of agriculture. In another province the main activity may be industrial, with the board in that particular case having a thorough appreciation of, let us say, the needs of war industry. All of these considerations may affect the board in its dealing with the facts of each case as it comes before it.

We have had two conferences with the chairmen of the boards and the registrars. There was a conference fairly early in the history of the regulations, and then on April 23, 24 and 25 we had a three-day conference with a view to having a general discussion of the regulations and their administration. Conferences of that sort will, I think, go a very considerable way toward bringing about uniformity. I doubt whether uniformity could be any more effectively brought about by a court of appeal. If questions of law were involved, certainly it would be desirable to have a central court of appeal. But when each case is really dependent on questions of fact I do not see how the establishment of a central court of appeal could bring about uniformity. That is my view. But I appreciate very keenly the necessity of uniformity of administration of the regulations across Canada as far as that is possible in the light of the fact that the decisions in these cases are made by tribunals which are judicial tribunals, on the basis of the facts of each individual case.

We held this conference of chairmen and registrars of divisions. We sat for three days. I was present at all the sessions, and I can assure hon. members that a great deal of useful work was done. It was the view of that conference, indeed, it was the view of the department, that the regulations should be gone over from beginning to end, and it was suggested that a committee should be struck for the purpose of going over the regulations. A number of regulations that are still in the brochure of regulations as printed are spent, by reason of the facts that they were meant to cover being no longer applicable. For example, certain regulations in regard to students were applicable only to the state of affairs that existed when we called men for only thirty days. Some of these regulations should be struck out. Then it was the general view that the Minister of National War Services might appoint a committee for the purpose of going through the regulations from start to

finish. It was my hope that there would be placed before that committee the various views expressed by the conference and also the views expressed by hon. members of this committee in discussing the regulations. I hope that as soon as possible after this debate is terminated that the committee will proceed with the work of combing over the regulations, and I assure hon. members that representations made by them will be brought to the attention of the committee.

Mr. DOUGLAS (Weyburn): Does the minister mean a departmental committee?

Mr. THORSON: What was in mind was a departmental committee. The reason for that was that there are a great many administrative details to be worked out. I am not wedded to the idea of a departmental committee; my opinion is that it might have advantages over some other kind of committee, but in any event I would assure hon. members that their representations will be brought to the attention of the committee. These regulations are of great importance and are becoming of even greater importance. It is therefore essential that they should commend themselves in both their substance and content and also in their administration not only to this house but to the country generally.

There are difficulties involved in individual cases, but those difficulties arise from the facts of each particular case. If I were completely satisfied that the establishment of a central court of appeal would produce uniformity, I would not hesitate in recommending such establishment. But the experience of a central court of appeal in the last war under the Military Service Act was not a happy one, and we hope not to run into a similar experience again in this war.

When I was before the house last Monday I was in course of making a statement, but I did not get anywhere near through. Perhaps it is just as well. It does not really make much difference what form the discussion takes, whether it takes place after a general statement or in the course of making that general statement. I am in the hands of the committee as to which course the committee would prefer.

Mr. DIEFENBAKER: Before the minister proceeds would he permit one or two more questions arising out of his statement?

Mr. THORSON: Certainly.

Mr. DIEFENBAKER: The minister agrees that if there is one thing more than another that is necessary it is that there be as nearly as possible equality in the administration of this act in every province of the dominion. He states that if an appeal were allowed it would be an appeal on questions of fact, and for that reason it would be impossible, or at any rate difficult, for a central court of appeal to look into the decisions of a provincial board. But has the minister given consideration to this, that up to March 24 the granting of postponements was a matter to be decided upon the individual case; but on March 24 in consequence of the announcement made by the Prime Minister, provision for the granting of these postponements was made, on a basis, not of the individual circumstances, but of the occupation of the particular individual; and individual considerations were to have effect only in the event that the crown could not show that such person was not an essential worker in agriculture. Therefore the position of affairs to-day is this, that those in the particular occupations he mentioned, and in particular agriculture, after that date were prima facie to be entitled to a postponement.

Mr. THORSON: On application.

Mr. DIEFENBAKER: On application being made; and the onus rests to the crown to establish that the individual does not come within the purview of the general postponement provision.

Mr. THORSON: Or should you say the onus passes away from the applicant?

Mr. DIEFENBAKER: Yes, and that is exactly the point I am endeavouring to bring to the attention of the minister, that once the onus passes away from the applicant, then it is not a question of fact in an individual case; the postponement is an en masse proposition. Everyone is entitled to it who comes within the purview of the regulation unless the crown can show that the applicant is not an essential worker in agriculture. This afternoon the hon. member for Rosetown-Biggar pointed out a case, and the minister refused to say what his decision would have been in that case.

Mr. THORSON: I have not the facts.

Mr. DIEFENBAKER: True enough; but if the facts were as stated by the hon. member, clearly that man came within the regulation entitling him to postponement. The government saw fit to grant postponements to a class engaged in agriculture, and took upon itself the onus of proving whether or not a man should be denied the benefit of that regulation.

The minister says that what took place in 1917 was one of the reasons why a central court of appeal was not established. I would ask him to amplify that statement. Why could not provision be made whereby appeals

could be allowed to a central court only after that court had been applied to and had granted the right of appeal? I do not believe there should be an automatic appeal, but I think there should be provision for appeal, to the end that those entitled to rights under the law may obtain those rights. To-day, as matters now stand, the people of Canada may find themselves in the position that in one province men will be granted postponements while in another province under similar circumstances men will be called to service. It was never intended that regulations should be interpreted in a manner that would discriminate in favour of one province as against another. An appeal body would bring about uniformity in the interpretation of the regulations. This afternoon the minister stated that the regulations were mandatory; that the applicant had his rights; that they were not declaratory rights but were rights assured to him. So I put this proposition to the minister. If in any province, as a result of the predilictions or the attitude of a board, the provisions of the regulations are deliberately flouted and disregarded, what rights has an individual so affected? As I see it, he has none. He has been denied the prerogative rights such as writs of habeas corpus and certiorari. He has been denied any appeal. He has rights, but he has no method of enforcing them.

Then take the other position, in which the board would grant postponements without regard to the regulations, deliberately flout the regulations in the other direction, allowing everyone postponement without regard to whether or not, under the law, they are entitled to it. Is there any provision whereby the crown may prevent that abuse of power? There is nothing whatever under the regulations as they stand to-day; and with all the sincerity that I can put in my words I say to the minister that the enforcement of these provisions must be done equitably and fairly. To-day we find ourselves in this position, that in one province 2·3 per cent of the young men are being called up, while in another province, in proportion to population, 5·7 per cent are being called up. Continue this course and the result will be not chaos but the destruction of national unity. As I see it, there is only one way of preventing such a condition of affairs, and that is through a uniform application of the law to every person in Canada, without regard to provinces or the boards having jurisdiction in the several provinces. As the regulations are, in Saskatchewan—and I speak of that province because I represent a constituency there—every man engaged in agriculture might be called up and ordered to report, even with the regulation as it is, and there is no power whatsoever to interfere with the actions of the board. That would amount to a denial of justice, a denial of fairness, a discrimination against those entitled to postponement, and there is no right on the part of those who are discriminated against to appeal to the courts of this country.

It is true that in 1917 the prerogative rights were denied. I can understand the reason for that, because if it were left open to those called for service to take advantage of legal technicalities, they would do so; they would appeal by way of certiorari, habeas corpus or anything else available. But there remained the right of appeal. To-day there are no rights, either to the men who are being called up, to assure them of fair treatment, or to the crown, if a board should deliberately flout the regulation. While I have mentioned Saskatchewan, I think it only fair to say that in doing so I was not referring to that board. The Saskatchewan board is composed of three reputable gentlemen: the chairman of the board, Mr. Justice Embury, who was a brigadier-general in the last war, with a distinguished record; Mr. Bickerton, president of the United Farmers, and Mr. Carl Stewart, K.C., a member of the legislative assembly.

Mr. THORSON: Might I ask the hon. member which board he is referring to when he uses the phrase "flouts the regulation?"

Mr. HOMUTH: It would apply to any board.

Mr. DIEFENBAKER: That is the point. I mentioned Saskatchewan as an example of what might take place, because Saskatchewan is mainly agricultural. I could have mentioned any other province, but that was why I came back to point out that I was not specifically referring to the board in Saskatchewan. I do ask the minister to give consideration to this matter. As the regulations are, there is not a lawyer anywhere who could advise anyone as to his rights under these regulations. I do not understand why men called up were denied representation by counsel before the provincial boards, but that is what the regulations provide. If a man is denied legal representation, at least he should not be denied those ordinary rights that British subjects everywhere have enjoyed for the past two hundred and fifty years. I do not believe in wholesale appeals; I do not believe that every one should be free to appeal to a central appeal board; but I do believe that if and when a provincial national services board is not carrying out the provisions of the law, the opportunity should be given applicants to appeal by leave to a central board composed of a judge of the

Supreme Court of Canada who would give uniform administration of the regulations, and would give to each case a uniform, proper application of the principles upon which postponement is provided for under the regulations.

Mr. THORSON: The hon. member for Lake Centre has presented his case powerfully, and I would be prepared to say that there is a great deal of merit in what he has put forward, if I were prepared to accept the basic assumption upon which his argument is made, that boards are flouting the regulations.

In the course of the months I have had to do with the department I see nothing to suggest that boards are flouting the regulations. While the prerogative writs are done away with in these regulations, as they were done away with in 1917, we are concerned with getting finality. The judgments of the boards are stated by the regulations to be final. I propose to submit an amendment to the regulations in order to give the boards power to reconsider. That was a matter which was discussed at the recent conference, and it was generally agreed that that power should be in the boards. It may be that they inherently have the power already; I would not go so far as to say that they do not.

I should point out that in addition to the composition of the boards, there are four representatives who have the right to appear before the boards; one representing the Department of National Defence; one representing the national war labour board, and one representing agriculture. Those three representatives are supposed to be the representatives of the three war purposes to which I referred earlier this afternoon.

Mr. TUSTIN: Are those representatives appointed by the government?

Mr. THORSON: The representative of the Department of National Defence is a serving officer of the Department of National Defence. The representative of the national war labour board is appointed by that board.

Mr. DOUGLAS (Weyburn): Have they been appointed in all the provinces?

Mr. THORSON: I think the representatives of the national war labour board are operating in all the provinces.

Mr. DOUGLAS (Weyburn): Who is the representative in Saskatchewan?

Mr. THORSON: I do not know who it is in Saskatchewan.

Mr. WRIGHT: Who appoints the representatives of agriculture?

Mr. THORSON: The minister appoints the representatives of agriculture.

Mr. COLDWELL: Have they been appointed in all the provinces?

Mr. THORSON: No. Last Monday I put on *Hansard* the names of the five representatives of agriculture who have been appointed. That is perhaps not as important now as it was earlier, or as it was before the new regulations with regard to agriculture came into effect.

Mr. COLDWELL: In view of the discussion to-day it would seem to be important.

Mr. THORSON: No, there has been very little by way of expressed dissatisfaction with the decisions made by the board. If one were to listen only to what has been said this afternoon he might think that there were thousands of cases of dissatisfaction. As a matter of fact only a very few cases are brought to our attention.

Mr. COLDWELL: It is wrong to have even a few cases, if they can be adjusted.

Mr. THORSON: I quite agree, and that is my reason for saying that if hon. members have brought to their attention cases which strike them as being those which have not been fully considered, or in which all the facts have not been dealt with, I invite them to bring such cases to my attention, notwithstanding the additional work involved. I would publicly welcome having those matters brought before me. Actually the number of cases which have come to my notice is quite small.

Mr. MacNICOL: Has the decision been reversed in any of them?

Mr. THORSON: In some of them the boards have reviewed the facts and have granted postponements.

Mr. STIRLING: So the boards have power of revision?

Mr. THORSON: I thought I had covered that point when I was addressing my remarks specifically to the hon. member for Lake Centre. I think they have the power. But to put it beyond dispute we propose to make an amendment along the lines I mentioned a moment ago. There must, however, be some finality in these matters, and I must again stress the fundamental purpose of these

regulations, namely to enable the Department of National War Services to fulfil the requisitions sent to it by the Department of National Defence.

An hon. MEMBER: And do so equitably.

Mr. THORSON: And do so as equitably as possible. As a matter of fact I think hon. members will be interested in the considerations which govern the assignment to a civilian rather than a defence department of this particular task of calling men for military training. I believe I can say that the Department of National War Services and the national war service boards regard as individuals all persons coming before them as a result of the notice relating to medical examination. Then those persons are turned over to the training centres if they have not made out a sound case for postponement, made out a case for postponement on either of the two broad grounds, the one of hardship or the other of national interest. When they are turned over to the training centres they become soldiers subject to military discipline and subject to the law of the army. Up until that stage, up until they are being turned over to the training centres they are under the jurisdiction of our department which regards them as individual persons, giving consideration to their individual cases. It is that principle and that attitude of mind which I wish to preserve.

If there could be absolute uniformity of administration or decision as to the facts it would be highly desirable, but it would be a mistake to look at percentages only, because back of the percentages are many other factors and many other considerations that every one would have to assess in order to arrive at a true interpretation of whether there is uniformity. The hon. member for Lake Centre referred to the percentage of postponements, and I should like to put on the record now what I intended to put on at the outset this afternoon but which I did not because of the run of questions that started before I could complete the statement I had in mind.

Mr. DIEFENBAKER: I did not speak of percentages of postponements; I spoke of the percentage of those called up, the R-recruits.

Mr. THORSON: I quite appreciate what my hon. friend said. In the Ottawa *Citizen* of May 15, 1942, there appeared an editorial entitled "Figures on Draftee Army." This editorial indicates the folly of making statements without looking closely at the facts. I should like to put it on *Hansard* with the leave of the committee. It starts off as follows:

Some interesting and revealing figures concerning men called up for military service under the mobilization act were given in the House of Commons the other day. Robert Fair, M.P. for Battle River, had asked a question as to the number of men drafted, the number of applications for postponement of training and the number of applications granted.

Mr. Thorson, Minister of National War Services, furnished the following figures, covering the period from October 9, 1940, to March 12, 1942.

Under the heading "Men called up", figures are given for each of the provinces. Figures are also given for each of the provinces under the headings: "Asked for postponement" and "Granted postponement".

	Men called up	Asked for postponement	Granted postponement
P.E.I.	1,013	549	463
Nova Scotia	4,718	3,010	2,019
New Brunswick	4,567	2,315	1,802
Quebec	38,433	37,163	22,174
Ontario	37,252	19,800	15,953
Manitoba	8,331	3,231	2,442
Saskatchewan	9,424	2,874	1,803
Alberta	9,024	2,534	2,334
British Columbia	7,543	4,443	4,056

Then the following comment is made in the editorial:

What will first of all open the eyes of most people is the extraordinary high percentage of applications for postponement of training, and next to that, the high percentage of postponements granted.

Then there follows this statement:

Among other things the figures reveal is that only a little more than half the men called up under the compulsory home defence law get into the army right away.

The figures which were given in reply to the question put by the hon. member for Battle River, and which appear in *Hansard* of May 6, reveal no such thing. Another statement is made in the editorial as follows:

During the period covered, 120,305 men were called up and accepted. But only 67,259 got into uniform. A total of 75,919 asked for postponement of training and in 53,046 cases it was granted.

That statement is wholly erroneous. If the writer of that editorial had read the answer which I made to the question put by the hon. member for Battle River, he would have seen that the total of 120,305 appeared under the heading entitled:

Number of men called up for military training under the National Resources Mobilization Act in each of the provinces, and accepted at national defence (army) basic training centres, since October 9, 1940, up to March 12, 1942.

The whole of that number of 120,305 went into uniform. What the writer of this editorial has done is to deduct the number of applications for postponement of military training that have been granted, 53,046, from the total number who were called up and accepted, 120,305, arriving at his total of 67,259, which he stated were those who got into uniform. That is entirely erroneous. All men referred to in the first column of my answer, or 120,305, got into uniform over and above the 53,046 whose military training had been postponed. The figure 120,305 does not include the figue 53,046. I do not believe the writer of this editorial would have fallen into this error if he had read with greater care the headings of the various columns. Having fallen into that error, the writer of the editorial then falls into another error when he makes this statement:

> In Quebec about 97 per cent of men drafted asked for postponement and approximately 60 per cent were granted postponement. In Ontario 53 per cent asked for postponement and 43 per cent got it. Saskatchewan, with 31 per cent asking for and 19 per cent obtaining postponement, has the lowest percentages.

All those figures are erroneous for the reason I indicated before.

Mr. HOMUTH: Does the figure of 120,305 mean that that number of men stayed in the army, or does that figure include those who had the thirty days training and then got out of the army?

Mr. THORSON: The figure I have given includes the thirty days training figure.

Mr. SENN: How many out of the 120,305 took the thirty days training?

Mr. THORSON: I put those figures on *Hansard* last Monday, but I have them here. In that figure of 120,305, there are included 82,893 who were called up in the three 30-day training periods.

Mr. HOMUTH: That makes a different picture altogether.

Mr. THORSON: It does not affect what I have just been pointing out.

Mr. HOMUTH: But is it not a fact that the thirty-day trainees did not ask for postponement?

Mr. THORSON: Oh, yes, a great many of them did.

Mr. DUPUIS: And a great many of them were called up again.

Mr. THORSON: Yes, a great many.

Mr. HOMUTH: Actually how many of the thirty-day trainees asked for postponement? I think the percentage was very small.

Mr. THORSON: All those figures are available. The figures of application for postponement and the number of applications for postponement granted have been kept with very great care from the outset, and I could obtain for the hon. member for Waterloo South the particulars exclusively for the three calls for thirty-day training but I would have to work the figures out separately. I have with me here only the grand totals covering the fifteen training periods.

The writer of this editorial in the *Citizen* falls into the same error when he arrives at his percentages. Let me indicate, if I may, how he falls into error. Take, for instance, the province of Quebec. Under the heading as given in the editorial, 38,433 men were called up and 37,163 asked for postponement. Then the writer jumps to the conclusion that out of the 38,433 men who were called up 37,163 asked for postponement, and in that way he gets his 97 per cent. Nothing of the sort. All of the 38,433 men called up went into uniform and none of them got any postponement. They all went to the training centres and they were all accepted.

Similarly, by the same erroneous inference, he makes the statement that in Ontario, on the other hand, 53 per cent asked for postponement and 43 per cent got it. That would indicate that there was a treatment or an attitude of mind in one province different from the treatment or the attitude of mind in another province. I do not know whether the writer of that editorial was trying to indicate any particular attitude of mind in the province of Quebec compared with the attitude of mind in Ontario or any other province, but the writer certainly draws wrong conclusions as between the provinces. As a matter of fact, if the writer will look at the second of the two columns he will find that in the province of Quebec 37,163 persons asked for postponement and 22,174 postponements were granted. That is a percentage of roughly 59 per cent.

Mr. BOUCHER: Would the minister state how many were called up? We would then have the complete picture.

Mr. THORSON: I shall be glad to give all the facts. To continue with this editorial for the moment, in the case of Ontario, the editorial shows that 19,800 men asked for postponement and 15,953 applications for postponement were granted. That is 70 per

cent. In Saskatchewan, 9,424 men were called up; 2,874 asked for postponement, and 1,803 applications for postponement were granted. That is 62 per cent. Therefore the province of Quebec, instead of having, as the writer of the editorial would have it, the largest percentage of postponements, has really the lowest percentage of postponements granted in respect of applications for postponement.

Mr. DOUGLAS (Weyburn): How does the percentage of postponements compare with the number called up?

Mr. THORSON: The true basis of calculation should be the number of applications for postponement in relation to the number of notices sent out to report for medical examination.

Mr. GILLIS: Would the minister mind putting on the record the same figures for all the provinces. There are other provinces besides the three that I hear mentioned so often.

Mr. THORSON: I mention them only by reason of the figures in the editorial. Ordinarily I do not pay a great deal of attention to the Ottawa *Citizen*.

Mr. CASSELMAN: If the minister would permit me, the argument he is making to show that the editorial is wrong could, I think, be put in another way. The question that was asked was this:

How many men have been called up for training under the National Resources Mobilization Act in each of the provinces?

In the first column the figures given do not answer that question.

Mr. THORSON: I think so.

Mr. CASSELMAN: Very definitely not—

Mr. STIRLING: Certainly not.

Mr. CASSELMAN: —because the heading above the figures given in the first column is:

Number of men called up for military training under the National Resources Mobilization Act in each of the provinces—

That was what the question asked for, but then the heading over the column goes on to add these words:

—and accepted at National Defence (army) basic training centres.

I think that is the answer to the whole difficulty.

Mr. THORSON: That may possibly be the explanation. But the answer given gives the information in respect of the persons who were effectively called up.

Mr. CASSELMAN: Called up—and taken into the army

[Mr. Thorson.]

Mr. THORSON: That is fit persons. In order to get correct percentages one would have to have another set of figures showing the number of persons to whom notices to report for medical examination were sent. That is the first notice that goes out, and if hon. members would like to have that for the whole of the country, for the same periods, I will put that table on *Hansard* so that the comparisons may be made. In respect of the four months men, that is, the really effective persons, I will put that table on *Hansard*. I have it by administrative divisions, but I will table it by provinces.

Mr. BOUCHER: Do the tables placed on *Hansard* by the minister last Monday show how many were called up by provinces under the 30-day plan and otherwise; how many asked for postponement, under the 30-day plan and otherwise; and how many postponements were granted under the 30-day plan and otherwise, by provinces? That would settle the question and enlighten the people in that regard.

Mr. THORSON: The tables I put on *Hansard* last Monday relate only to the four months plan because those are the persons who are effectively put into the Canadian active army for home defence. The tables show the number of men requisitioned by the Department of National Defence; the number of men who reported to basic training centres; the number of men rejected for medical reasons upon reporting at basic training centres; the number of men accepted at basic training centres; the number of men examined by civilian physicians, showing the number placed in each medical category since the inception of the four months training plan up to March, 1942. Then table VI shows applications for postponement, and table VII shows applications for postponements that were granted. I think these tables will answer the questions of my hon. friend with respect to persons who were called up for four months training and held for the duration.

Mr. BOUCHER: Why could the minister not couple that with those called for 30-day training? Some called for 30-day training would be included in those for the four months.

Mr. THORSON: No, not in the figures I gave. The figures I gave in the tables cover only persons who were called up for four months and do not include the persons who served thirty days and were recalled. I gave those additional figures earlier in the day, and I pointed out that in respect of the

30-day men our department acts for the Department of National Defence and we call them up in the name of the Department of National Defence, because those men are members of the reserve army and therefore under the jurisdiction of the Department of National Defence. In respect of those persons who were called for thirty days and recalled, I gave those figures: the total number that were requisitioned by the Department of National Defence, 13,650; the number who reported to training centres, 14,387; the number of men who were actually accepted at training centres, 12,539.

Mr. BOUCHER: That is the point. The minister does not tell us the number who were called. He tells us the number who were requisitioned, the number who reported, and the number who remained after rejections had been taken up, but he does not give us the number who were called.

Mr. THORSON: The total number of notices for medical examination sent out for the same training period was 312,649. That is the total covering the operation of the regulations from their inception, and includes the thirty days and the four months men.

I have in this table, by administrative divisions, the number of men to whom notices to report for medical examination were sent. The figures by provinces are as follows:

Prince Edward Island	1,846
Nova Scotia	12,319
New Brunswick	12,627
Quebec	117,425
Ontario	84,678
Manitoba	20,721
Saskatchewan	19,780
Alberta	20,739
British Columbia	22,519

Mr. BOUCHER: But that would not be the number called to report, because some of those called for medical examination might be in a category that would not be called, so we still do not have the picture.

Mr. THORSON: Quite so.

Mr. DOUGLAS (Weyburn): Before the minister leaves the discussion of the regulations, I wish to say a few words in support of the position taken by the hon. member for Lake Centre. Last year the minister will remember I strongly opposed the removal of regulation 14, which took away from the applicant the right of appeal to the minister as a final court of appeal.

Mr. THORSON: Where is that in any previous regulation?

Mr. DOUGLAS (Weyburn): Clause 14 was withdrawn, the clause appointing the minister as final court of appeal.

Mr. THORSON: It is news to me.

Mr. DOUGLAS (Weyburn): It is not news to the minister that the boards became the final court of appeal, that no appeal to the minister was allowed any more.

Mr. THORSON: There was no appeal to the minister.

Mr. DOUGLAS (Weyburn): In the original regulations there was.

Mr. THORSON: No.

Mr. DOUGLAS (Weyburn): I will not argue the point now. The minister has just said that these regulations are important and that they are becoming increasingly important. That is true, because these regulations are the machinery under which Canada proposes to requisition the lives of its citizens. As the minister acknowledged, it is most essential that these regulations and the administration set up under them shall be carried on in the most impartial manner possible. The protest has been made before and was made again to-day that there is lack of uniformity in the administration of the different boards. Last year some reference was made to a hockey team as an illustration. There are other illustrations, some of which I shall draw to the minister's attention in a moment. In my opinion it is bad practice to set up across the country quasi-judicial bodies and give to them arbitrary power under regulations which they themselves are the sole authority in interpreting. Under these regulations wide powers are given; there are blank spaces under them where it is not clear exactly what course is to be followed. In these cases the board becomes a law unto itself, and there is danger, especially if the minister lacks time for supervision or lacks firmness, of these semi-judicial bodies becoming little czars in their own domain.

Not being a lawyer, I am not sure that the procedure suggested by the hon. member for Lake Centre, that a final court of appeal here in Ottawa would meet the situation, would be the best. It may be that it would. Certainly I think this would help to meet it, that first of all these administrative committees, national war services boards, ought to be conducted to some extent on the basis of court procedure.

A board is set up in Saskatchewan, for instance, with three men on it. A young man comes before that board making application

for postponement. The only representative that I know of who has ever gone before that board in addition to the person making the application is the representative of the Department of National Defence. I do not know of any representative of the labour supply board; I do not know of any representative of agriculture other than one of the members of the board. The young man is in a court in which the Department of National Defence has a person functioning practically as prosecuting attorney, and is left to defend himself and present his own case. Most of us know what it means to be suddenly placed before a committee; the average person, if he has no experience in presenting facts, if he is timid about answering questions, can trip himself up in a very few minutes. It seems to me that if the board is made the final court of appeal, there ought to be a person, say the judge, in this case the chairman, as referee; there ought to be someone in that board presenting the case for the Department of National Defence, and there ought to be someone there who will examine the facts concerning the applicant and present the facts for him.

The average young man has not a chance in the world in presenting his own case; he is entirely at the mercy of the mood, the persuasion or the mental outlook of the men on the board. If they are considerate, thoughtful; if they examine his case carefully, help him in bringing out the facts, he may get a fair deal. If they are not that kind of men, the situation is quite different.

The set-up of these boards might well be changed. There ought to be, but as far as I know in Saskatchewan there is not, a representative of labour selected and recommended by labour; there ought to be a representative of agriculture, suggested by agriculture. In the case of Saskatchewan there is one who, I am sure, is quite satisfactory to agriculture in that province; I do not know anyone who would fill the position better. But someone on that board ought to appear on behalf of the applicant, someone who will examine his case and present it. The representative of the Department of National Defence is there, who is very naturally prepared to present many reasons why the postponement should not be granted; it is his job to get as many persons into the army as possible. Certainly someone ought to be there to present the other side of the story. If these boards are to continue to have the tremendous powers that have been given them, there ought to be some set-up to make them more judicial in character and to guarantee to the persons going before them the best possible presentation of their case.

[Mr. T. C. Douglas.]

The minister says that one or the reasons why it would be impossible to set up a final court of appeal is that these are cases founded on fact, not on interpretation of the law. That is correct. But I would ask the minister what machinery is set up by his department for the collecting of these facts. It may be better now; I have some reason to believe it is, but I know that for quite a while the facts were collected in the strangest manner. I had a young man come to my home one morning with his grandmother, whose sole support he was alleged to be. They had made an application for postponement on the ground that if this young man should be called up, the grandmother would have to leave the farm, dispose of the stock, move into town and live alone. The postponement was granted. A few days before the time to report, however, the young man was notified that the postponement had been cancelled. He came to see me; I told him there was nothing I could do, that this was the decision of the board, but that I would telephone the board and find out why the postponement had been cancelled. I called the secretary of the board, and again I have no quarrel with that gentleman. He has always been very courteous and fair to me, and he is the servant of the board, not responsible for the policy pursued. He said, "Yes, we did grant postponement, but on the basis of certain information given to us in the last few days we have cancelled that postponement." I said, "Well, that is fine, except that I should like to know the source of that information." He replied, "We are not going to tell you the name of the person." I said, "I do not want to know the name of the person, but I do want some assurance that the information reached you through proper channels. Was it secured for you by the mounted police? Was it secured for you by any officer or employee of the government?" His reply was, "No. This information was telephoned to us by some individual in the community in whom we have confidence." Well, Mr. Chairman, if you ever start to collect your facts on that basis you are taking the most dangerous ground possible upon which to administer selective service. If the government is going to turn certain people in the community into official informers, it is storing up a lot of grief for itself. There is not a community anywhere in which there are not at least two or three people who like minding the business of other people better than their own, who specialize in sending anonymous letters, making anonymous telephone calls, or sending messages about somebody else whom for some reason or another they do not like. In all fairness I must say that in a number of cases

with which I am familiar the investigation was made by the mounted police. With that I am in complete agreement; the machinery for collecting these facts ought to be official machinery. Facts ought to be collected through the proper agencies, the mounted police, the local magistrate, or some person in an official capacity who has training in sifting facts and presenting evidence.

A few moments ago I said that these boards had wide powers and that there was always the danger, in connection with semi-judicial boards of this kind, that they might become little czars in their own communities. They are pretty well the final authority; they make the decisions as to how the regulations shall be interpreted. Let me give one illustration of that; I refer to the method by which conscientious objectors have been handled, particularly in Saskatchewan. I know the subject of conscientious objectors is not a popular one; but the test of any democracy is how it treats its unpopular minorities.

Mr. THORSON: Hear, hear; I entirely agree.

Mr. DOUGLAS (Weyburn): I want to direct the attention of the minister to the regulation which, as he knows, is No. 19. It states:

> Any man who claims that he conscientiously objects to bearing arms or to undertaking combatant service may, at his own expense, apply for an order or direction of the board postponing his military training which order or direction may be given by the board to the divisional registrar if the board is satisfied that such man conscientiously objects to bearing arms or to undertaking combatant service.

I direct the attention of the committee to the words, "if the board is satisfied," which is a wide discretion. Then regulation 20 provides:

> Notwithstanding anything contained in the next two preceding sections, the board, of its own motion or on application made by the minister or any person representing the minister, in the case of any person entitled to postponement of military training, either as a Mennonite or as a Doukhobor or as having been found by the board to object conscientiously to bearing arms or undertaking combatant service, may direct that such person, if medically fit for military training, be required to report as or after his age class has been called out to carry out such alternative training, service or work as the board may direct. . . .

From what information I can gather—and of course the minister will correct me if I am wrong, because he is in a position to know all the facts in reference to every province, while I can speak only with reference to my own province—the treatment of this particular group has not been uniform in the various provinces. As an example I mention two young men whom I have known for fifteen or twenty years. They are twins, students at the theological seminary of the United Church, studying for the United Church ministry in Saskatoon. Both made application to the board in Regina, claiming that they had religious scruples against the bearing of arms and offering to do any type of alternative service the board might prescribe. One young man was granted postponement on the ground that they considered him to be a sincere—and I underline the word "sincere"—conscientious objector. The other young man, for some reason I have never been able to find out, was not considered by the board to be a sincere conscientious objector and, with a number of others, had his postponement refused.

They went back to the university and made an offer to the board that they were prepared to do anything else. At the university other students who normally would be called out with their age groups are given an opportunity to take the R.O.T.C. course during their spare time in order to not break into the university year. These young men asked that they be given some alternative training during their spare time, instead of the R.O.T.C. course. That was refused in Saskatchewan, though my understanding is that at the university of Toronto such training is provided for students who conscientiously object to the bearing of arms. There I believe they are given an opportunity to take alternative training in some other line. But these young men were refused that opportunity, though it is expressly provided in regulation 20 that the board may prescribe some alternative training or service.

Mr. THORSON: If they are found to be conscientious objectors.

Mr. DOUGLAS (Weyburn): Yes, but they must have found them to be conscientious objectors, because they did not insist on calling them up for military training. They said, "All right. You will not take the R.O.T.C. course; you do not want to report for military training, therefore you must stop your university year right now and go up to Banff national park," to work in a labour gang building highways, at 50 cents a day, out of which they must buy their clothing and all the other things they require. I know of one young man who was within a few months of finishing a chemistry course, which would have enabled him to do great service to this country in our war effort. Several of these young men have been taken out of the university in the middle of their year, and sent up to Banff national park. As I said before, and wish to make perfectly clear, I have no objection at all to these young men doing alternative service. My contention is that any man who lives in this country is in the position

where the state has the right to demand from him in this emergency some form or another of service.

Mr. BROOKS: Practical service.

Mr. DOUGLAS (Weyburn): Yes, practical service.

To go back to the young man to whom I referred, he went to the board and said, "I am quite prepared to go to England with a fire-fighting group. I am prepared to go to England or anywhere else to drive an ambulance." But they replied that they had no arrangements for that sort of thing, and that they could not do that. The result is that we send a man to a labour gang, building roads, when it seems to me there are far more useful things we could do with young men of that kind.

I wish to repeat that I do not propose to be placed in a false light when I present this case to the minister. I have never held, and do not now hold, the view of the conscientious objector. I myself took the reserve officers training course when I was at university. In talking to these young men I have told them that in my opinion they should take the course, and that they could do so without violating their principles. I have told them that the course would do them a world of good. But I do insist that whatever one may think of the point of view of the conscientious objector, no man or group of men should be allowed to vent any sadistic tendencies they may have against any person with whose particular point of view they happen to be in disagreement.

Simply to take a young man out of a university, when hundreds of others are being left in the universities, and send him to a labour camp where he is not needed, because he antagonizes those who do not agree with his point of view, is not fair. It seems to me we are on very dangerous ground when we do that sort of thing.

Questions with respect to conscientious objectors—and I use that purely as an illustration—along with many other parts of these regulations ought to be clarified so that there will be uniform application in the administration of the regulations. There ought to be a final court of appeal, or there ought to be provision for farmer and labour advocates on the boards to present the cases of these young men in a proper and judicial manner.

Just one other point. The other evening I drew the attention of the minister to the young men who reported for training on April 9, and I pointed out then that there was a great deal of confusion in view of the fact that on March 25 the newspapers of Canada carried a statement that they were exempted—that was the term used—and that postponement had been granted. The term used was that they were exempted from military training. I hold in my hand a clipping from the front page of a western newspaper. It is headed, "Main points of new programme" and is dated at Ottawa, March 24. It opens with these words:

> Following are the high-lights of the national selective service programme, as announced in the House of Commons to-day by Prime Minister Mackenzie King.

Then follows a long list of the key-notes in the announcement, and No. 8 in the list is as follows:

> Exemption from compulsory military training for essential farm workers, and prohibition against farm workers quitting jobs for non-essential work.

Mr. HOMUTH: That is just a misunderstanding.

Mr. DOUGLAS (Weyburn): Yes, but it was a misunderstanding that had disastrous effects. As I said the other day, if one young man read that and did not report, he could still make application under the new order in council P.C. 2252. If he could substantiate the fact that he was working on the farm, or had been a farmer on March 23, he could get his postponement. But the other young man, who had not time to make the application, was in a different position. Even if he had time, the board had not time to deal with it, because they already had hundreds of applications made before March 23 with which they had not dealt. The young men who did report are no longer within the jurisdiction of the national war services board, and they cannot be dealt with at all.

I believe it was last Monday I raised the matter, and at that time the minister said he was going to look into it and see what could be done. Has he been able to think of any procedure which can be taken to deal with these cases? Has he decided if it is possible to examine these cases, in view of the fact that there was considerable confusion at the time the arrangement was made?

Mr. THORSON: I think there is some merit in the observations of the hon. member for Weyburn with respect to the class of persons, who, prior to March 23, had received their notice to report for training, and who, after March 23, did not make any application for postponement, by reason of the fact that they did not know they had any right to do so. I should like to give further consideration to the group of persons covered in that interval of time, and to have an opportunity of discussing the matter carefully with

my colleague the Minister of National Defence, by reason of the fact that they are now in the training centres. I say to my hon. friend that that situation is under review.

Mr. DOUGLAS (Weyburn): Would the minister make some statement with regard to conscientious objectors? On what basis is a board supposed to make a decision as to a man's sincerity or insincerity? Is there provision for alternative training for these men, and provision for alternative service, either in or outside the universities? Is it entirely within the discretion of the board to decide whether a young man shall remain in a university, whether he shall take alternative training or whether he shall simply be put into alternative service without any choice as to the type of alternative training for which he shows the greatest aptitude?

Mr. THORSON: I do not know whether it is the wish of the committee that I should deal generally with the subject of conscientious objectors, and the manner in which that subject is being handled to-day by the department. I am in the hands of the committee. I had intended to make an opening statement which unfortunately I have not yet been able to complete. Then, a number of questions were raised by the leader of the opposition, some affecting the reserve army, some affecting students, and a number of other subjects. He commented, too, upon the administration of the regulations. I do not wish to deal with those particular subjects in his absence.

If it is the wish of the committee, however, I shall be very glad to deal with the subject of conscientious objectors, and give the committee a view of the whole subject. It is a subject with which it is not easy to deal, because the number of classes and kinds of persons is so varied. We cannot speak of conscientious objectors as being one class of person. In the main, conscientious objection is an individual objection toward taking human life. It varies with people. Certain persons have no objection to using force, depending upon the person against whom they may have to use the force. Some Jehovah's Witnesses believe in the use of force if it is for the purpose of defending another Jehovah's Witness, but otherwise they may be against the use of force. There are varieties of views, but generally speaking we deal with the subject of conscientious objectors under three sections of the regulations. I dealt with this at some length last November, but I shall review the situation briefly as it is and then deal with the steps that we have taken with regard to conscientious objectors. Section 18 (1), which deals with Mennonites and Doukhobors, reads:

> Members of the denomination of Christians called Mennonites and members of the community of Doukhobors who immigrated to Canada pursuant to the arrangements evidenced by the order in council of August 13, 1873, and by the order in council of December 6, 1898, respectively, or the descendants of such immigrants who have continued without interruption to be members of the aforesaid sect or denomination of Christians or of the aforesaid community of Doukhobors and who have resided without interruption in Canada, shall be entitled, subject as provided in these regulations, to the postponement of their military training.

That section deals with two classes of persons, Mennonites who come under the order in council of August 13, 1873, and Doukhobors who come under the provisions of the order in council of December 6, 1898. Persons who come within the provisions of section 18 are entitled to postponement of their military training. Applicants who come within the terms of this regulation must apply and must show, first, that they are descendants of these immigrants; second, that they have continued without interruption to be members either of the aforesaid sect or denomination of Christians, that is Mennonites, or of the aforesaid community of Doukhobors, and, third, that they have resided without interruption in Canada.

Mr. ESLING: It is doubtful if the minister has the information at hand, but perhaps he will make it available before this discussion closes. The minister is putting some figures on *Hansard*, and I should like him to tell the committee how many conscientious objectors of the Doukhobor sect residing in British Columbia have been exempted from military service. How many such conscientious objectors were ordered for employment on public works, and to what projects were they to be sent? How many of them have refused absolutely to accept any orders from the government for either military or public service, and what steps have been taken to make these conscientious objectors obey the edict of the government?

During the past year there has been a noted movement of Doukhobors from Saskatchewan to British Columbia, to my district particularly. Conditions there are very favourable because they are able to live on improved land tax free, and naturally a Doukhobor does not overlook anything in the way of getting ahead of the next one. When our young men are called up for service and they find these conscientious objectors exempted from any kind of service, and going to work in the lumber camps or accepting other well-paid positions, it stands to reason that there cannot be much of enthusiastic loyalty among our Canadian boys. The point is simply this: Is the government going to

permit these young Doukhobors simply to flaunt defiance at the orders of the government?

Mr. THORSON: I cannot give the hon. member for Kootenay West (Mr. Esling) answers to all the questions that he has asked because we do not have a separate breakdown for each province of the different kinds and classes of persons who claim to be conscientious objectors. However, in so far as the information is available, I shall give it to my hon. friend.

Last fall I dealt at considerable length with the painful subject to which my hon. friend has referred, namely, the Doukhobors in British Columbia and particularly that sect known as the Sons of Freedom. There is not much that I can add to what I said on that subject in November. Without overlooking what my hon. friend for Kootenay West has asked for and assuring him that I shall come back to some of the questions that he has placed before me, perhaps I may be permitted to continue with my general description of the manner in which the regulations relating to Mennonites, Doukhobors and conscientious objectors are enforced. I have dealt generally with the persons called Mennonites and the persons called Doukhobors and indicated what facts those two classes of persons must prove in order to come within section 18. Section 19 deals with conscientious objectors generally, and subsection 1 reads:

> Any man who claims that he conscientiously objects to bearing arms or to undertaking combatant service may, at his own expense, apply for an order or direction of the board postponing his military training which order or direction may be given by the board to the divisional registrar if the board is satisfied that such man conscientiously objects to bearing arms or to undertaking combatant service.

The matter of conscientious objection is a fact. The question as to whether a person is a Mennonite or a Doukhobor within the meaning of section 18 is also a fact. If the applicant for postponement is able to produce the facts that bring him within the provisions of section 18, if he is a Mennonite or a Doukhobor within the meaning of that section, or if he is a conscientious objector within the meaning of section 19, he is entitled to postponement of military training.

I agree with the hon. member for Weyburn in not understanding the point of view of the conscientious objector, but I am likewise satisfied that the bona fide conscientious objector has that point of view. If he has it, I for one am prepared to recognize his viewpoint, and I agree that the principle is sound that his military training should be postponed. As to the Mennonites and the Doukhobors we have a national obligation of honour that binds us to respect the conditions under which their fathers and mothers came to this country.

[Mr. Esling.]

Under section 20 it is generally provided that if the board has found a person to be a Mennonite or a Doukhobor or a conscientious objector, and has postponed his military training, the board may direct him to alternative service of a nature that will not involve the bearing of arms or the taking of human life. We started off with alternative service for a period of four months, that being the period of time for which men were then called up for military training. We have now made the period of alternative service equal to the period for which a man is called up for military training and subsequently held for service in the Canadian army for home defence; that is, for the duration of the war.

Mr. DIEFENBAKER: Were not the Doukhobors who served for a period of some four months in the national parks during 1940 and 1941 definitely promised that they would not be subject to any further call for any type of service during the period of the war? If they were not so promised, have any of them been called up since? Has there been an amendment of the regulation and if so, when was the regulation changed?

Mr. THORSON: I have heard it stated that some kind of statement such as the one suggested by the hon. member for Lake Centre had been made to some of them, but whether that is so or not I do not myself know. We made the amendment comparatively recently. It was done by order in council P.C. 2451, dated March 30, 1942. If that is so, then that is the law regarding the alternative service of these persons.

Mr. DIEFENBAKER: Is it not a fact that the national war services boards in certain of the provinces definitely promised the Doukhobors and Mennonites in 1940 and 1941 that if they served for a period of four months on road construction work and the like, that was the termination of their service? The minister has said that he has had information or has heard that someone made such a representation. Then he must have been informed who made the representation. If the representation was made, is it the intention of the government to recall those who have served for a period of four months to continue their service for the period of the war?

Mr. THORSON: My hon. friend will not expect me to state what will be done if something else has been done when I do not know whether that something else has been done or not. I will say to him that I have heard it stated that some kind of representation was made, but whether it was made or was not made, I do not know, and whether it was made with authority or not, I do not know. But I draw this to the attention of the hon. member, that we first announced the period of military training as for thirty days. Then we said that the 30-day training plan had passed out of the picture and men would be called up to serve four months. Later the Minister of National Defence stated that when the men had finished their four months training they would be held in the Canadian active army for home defence for the duration of the war. Similarly the same attitude may be taken with regard to the Doukhobors. The power is there by the amending order in council to call these persons up.

Mr. DIEFENBAKER: All that is required is the enforcement.

Mr. THORSON: The way in which the whole situation has worked out has varied considerably in the different provinces by reason of the fact that the circumstances in each of the provinces are different. In Manitoba the problem relates mainly to Mennonites. In Saskatchewan the problem is one that relates mainly to the Doukhobors. Last year, at first the Doukhobors were quite rebellious at the idea of alternative service. There were many prosecutions and many convictions; I forget how many, but I think it was around one hundred or thereabouts. Then they went into the alternative service work camps and did a considerable amount of road construction, and I believe they did it very well.

Mr. STIRLING: Where was that?

Mr. THORSON: I think in the northern part of Saskatchewan.

Mr. STIRLING: It does not apply to the British Columbia Doukhobors.

Mr. THORSON: No; I am travelling westward. My understanding is that while there was, at the outset, a good deal of trouble in Saskatchewan with the Doukhobors over this system of alternative service, that difficulty has disappeared, and my information is that we shall probably not have any great difficulty with the Doukhobors in Saskatchewan. In Alberta there has been no great difficulty with either the Mennonites or the Doukhobors. In British Columbia—

Mr. GREEN: Before the minister comes to British Columbia, will he say whether the Mennonites and Doukhobors on the prairies are now working for the duration of the war? Were they released at the end of the four months period?

Mr. THORSON: The ones who were in the camps are all held for the duration of the war. I announced, with regard to conscientious objectors, that I had entered into an agreement with the minister of lands of British Columbia under which I undertake to send him up to 1,000 conscientious objectors for the purpose of preventing forest fires in that province which might result from enemy action.

Mr. COLDWELL: Where are they being sent from?

Mr. THORSON: They are sent from the various work camps.

Mr. GREEN: Is this the position, that the Mennonites, Doukhobors and conscientious objectors have been called up for the duration of the war and that, as the younger Mennonites and Doukhobors and conscientious objectors reach the age at which other British subjects are called up and put into the army, these young Mennonites and others will also be put in the work camps and have to work until the end of the war?

Mr. THORSON: That is the understanding.

Mr. CHURCH: Is the minister going to talk all night?

Mr. THORSON: I am in the hands of the committee, but I am in the very trying position of endeavouring to give a statement with regard to the Doukhobors—

Mr. COLDWELL: That is a strange question from the hon. member for Broadview (Mr. Church).

Mr. THORSON: Yes, I think it is; and when I try to make that statement five or six other members wish information. I should like to be able to answer all at once, but I am afraid I cannot do so. I will therefore continue answering the questions put to me by the hon. member for Weyburn (Mr. Douglas) with whom the hon. member for Yale (Mr. Stirling) has now united forces, because we have reached British Columbia where a painful situation exists with regard to the Doukhobors, particularly that sect of Doukhobors called Sons of Freedom. I admitted last year that I did not know what to do with the Sons of Freedom, and I do not know any more to-day what to do with that painful sect.

Mr. GREEN: They are a small group of the Doukhobors of British Columbia. Are the others in the same category as far as service is concerned?

Mr. THORSON: There is a difference between the Sons of Freedom and other Doukhobors.

Mr. GREEN: Some are bad and others are worse.

Mr. THORSON: There may be more truth than fiction in what the hon. member says.

Mr. STIRLING: Perhaps the hon. member for Vancouver South (Mr. Green) will inform the committee how many Sons of Freedom there are.

Mr. GREEN: There are quite a number.

Mr. THORSON: Nobody knows. It was suggested that we should intern them all. I do not think that would be a solution. An attitude of that kind was adopted once before by the previous administration in 1932. They took all these Sons of Freedom, wives and children, lock, stock and barrel to an island in the Pacific, but they could not do anything with them and brought them all back.

Mr. MacNICOL: They were free all right.

Mr. THORSON: They were freed, and I must confess that I do not know what to do with the Sons of Freedom. I do not think anybody else knows what to do with them.

Mr. STIRLING: The minister should admit that for a good many years after the Piers island experiment there was peace and quietude in that part of British Columbia from which they came.

Mr. THORSON: After they came back or while they were away?

Mr. STIRLING: After they came back.

Mr. THORSON: I wish I could tell members of the committee some of the difficulties we have had with these Sons of Freedom.

Mr. GREEN: Go ahead.

Mr. THORSON: No. I quite agree with the hon. member for Yale that I must not do so.

Mr. CASSELMAN: The Prime Minister once had a solution.

Mr. THORSON: Yes, he proposed to call in the hon. member for Kootenay West.

Mr. STIRLING: No. He was going to call in the right hon. gentleman who used to sit here.

[Mr. Thorson.]

Mr. THORSON: Yes, and if that did not settle the question, then he would call in the hon. member for Kootenay West. With regard to the other Doukhobors in British Columbia I do not believe the situation is hopeless. I think we shall make a good deal of progress in the matter of alternative service with these Doukhobors in the light of the favourable experience we have had in connection with road construction in Saskatchewan.

Mr. COLDWELL: Are any educational facilities provided? If so, would it not be possible to get some young teachers from Doukhobor homes and families to do work among them in British Columbia? As a matter of fact, the university-educated young Doukhobor in Saskatchewan had a considerable influence on the Doukhobor community in that province.

Mr. THORSON: That might be true with regard to Doukhobors in British Columbia who are not Sons of Freedom, but the Sons of Freedom will not go to school or do anything. If they would content themselves with being passive resisters, it would not be too bad, but they are militant passive resisters and will not have any schools. They will not do anything.

Mr. GREEN: They would burn down a schoolhouse.

Mr. THORSON: May I assure hon. members from British Columbia that I will not send any Sons of Freedom to assist in forest fire prevention in that province.

Mr. GREEN: Have any British Columbia Doukhobors been taken into service?

Mr. THORSON: I do not think so.

Mr. GREEN: Sons of Freedom or sons of anything else?

Mr. THORSON: I do not think so, yet. There is the situation. I think we shall have some success with the Doukhobors, other than Sons of Freedom, this year, in the light of the reasonably favourable experience we had with the Doukhobors in Saskatchewan last year after the outset of this scheme.

Mr. ESLING: Would the minister permit me to correct one statement. We look upon the original Doukhobors who came to Canada as making up many of the Sons of Freedom. Those to whom I refer are good, strong, healthy young men of training age. The minister must admit the humiliating situation of having these young men, when assigned to other service such as road building, simply say to the government, "We are not going into training or to do any other service; what are you going to do about it?" That is the situation.

Mr. THORSON: Yes; I agree.

Mr. ESLING: It is unfortunate, and it does not develop any spirit of enthusiasm among the young men who are asked to enlist in the various branches of the service.

Mr. CHURCH: I gladly gave way a few minutes ago so that the hon. member for Kootenay West might ask a question. Half an hour has now expired. When the National Resources Mobilization Act came in, I opposed the last clause, namely that the government should have power to make rules and regulations. I opposed that because, with the exemptions and rules, I knew what was going to happen, that the act would be simply a political football, and the results have so shown. Are we here to get a total war or not? That is the question which the people of this country want answered. A great deal of the time spent here could have been more profitably spent. There is no reason why we should have this antiquated system of rising to ask questions about one thing and another. We should have the British system under which we could ask all these questions on the orders of the day, and the minister would save his time and the time of the house.

Two years ago I brought up this matter of conscientious objectors. I was at it for three months and nothing was done because it turned out that under the rules and regulations, which have the force of statutes, it would take a long time to act. The conscientious objectors have votes, and they are a class of voters that get what they want if they go after it.

Mr. THORSON: They have no votes in British Columbia.

Mr. CHURCH: I belong to the Church of England which in one of the thirty-nine articles says that "it shall be lawful for Christian men at the command of the magistrate to bear arms and serve in wars." That made the mother country the great country it is to-day. Under these rules and regulations we are taking a different system, with the exemptions proposed by the government, and the department created for that purpose. How does it come about that we have a different system? We have the enemy at the door on our eastern coast; we have lost the command of the sea at the other door; we do not know where we are to-day. As far as all this talk about exemptions and boards set up to exempt farmers and others, amending the rules and regulations, and difficulty in getting orders in council acted on, is concerned, if Hitler comes here there will be no such things as boards, judge advocates and all that to further postponements. It seems to me that this department is nothing but an omnibus department. It gets out a lot of picture and information books after the fashion of Christmas time; it is largely in fact a Santa Claus department handing out information books, picture books and other gifts here and there, with the result that the war, instead of being primary, is the last thing thought about and is secondary to a lot of rules and regulations. There is a great deal of political undercurrent in this and other debates. I have seen it ever since the war started. When a debate opens, matters are raised which are not related to the war at all, and are secondary.

I have as much respect for and have had as much to do with farmers perhaps as any man in this house. I see their difficulties, and with two wars and a depression in between, I sympathize with them as much as any man in this house. But with this world war on which may engulf all the dominions, with the enemy now at the front door of three dominions, Australia, New Zealand and South Africa, and at our own door, we should not be spending our time in discussing such matters as this, and rules and orders in council to exempt farm labour. I sympathize with the minister in having taken over such a department, but he is attempting the impossible. With the rules and regulations and exemptions it is utterly impossible for him to do his duty to the army. With few exceptions the navy and the air force have no difficulty about farmers' sons; they are just running there trying to get in.

On May 6, an answer was given to a question asked by the hon. member for Battle River and answered as follows.

Military Service—Applications for Postponement of Training

Mr. Fair:

1. How many men have been called up for training under the National Resources Mobilization Act in each of the provinces?

2. How many applications for postponement of training have been made in each province?

3. How many applications have been granted in each province?

Mr. Thorson:

Provinces	1 Number of men called up for Military training under the National Resources Mobilization Act in each of the provinces, and accepted at National Defence (Army) basic training centres, since October 9, 1940, up to March 12, 1942	2 Number of applications for postponement of military training that have been made in each province, since October 9, 1940, up to March 12, 1942	3 Number of applications for postponement of military training that have been granted in each province, since October 9, 1940, up to March 12, 1942
P.E.I.	1,013	549	463
Nova Scotia	4,718	3,010	2,019
New Brunswick	4,567	2,315	1,802
Quebec	38,433	37,163	22,174
Ontario	37,252	19,800	15,953
Manitoba	8,331	3,231	2,442
Saskatchewan	9,424	2,874	1,803
Alberta	9,024	2,534	2,334
British Columbia	7,543	4,443	4,056
Totals	120,305	75,919	53,046

There is the answer to the call from the farms. Further, we have to look for cause and effect in the supply to agriculture. In the United States to-day there is a carryover of 600,000,000 bushels of wheat; it is a drug on the market. At the end of September they are going to have another 600,000,000 bushels, the crop of 1942, as well, with no place to put it and no market for it. In this country the estimate I see is about 400,000,000 bushels for this year's crop. Men are wanted in the army more than on the farm if we are to beat Hitler. The call is urgent. I know that in the Toronto district many farmers' sons and daughters are going to the city to work in the munitions plants. The school boards have taken the matter up; about one-third to one-quarter of the high school population is going to the farms to help agriculture, and a great many from the public schools. In the mother country the women are working on the farms and doing a large proportion of the farm work. Are we going to let the women do the fighting at the front for the men of this country? That is one of the issues I see. Are the women going to get in the front ranks and do the fighting while the men stay at home? I say no. In 1812 the farmers fought at Queenston, and the same in the great war. Large numbers of farmers' sons in Ontario in the last war did not want to be exempt; many of them went to the front voluntarily. and I believe that if the voluntary system had been supported and modern methods adopted, we would not have had all this trouble. We could have had a million men under the voluntary system, with the money that has been spent by this department. It is one of the most mischievous departments we have ever had in war or peace. I do not blame the present minister for that; he has not been master all the time, but it has been so from the start. It was never intended to be anything but a political department for the benefit of certain sections of the country as against others. Here we have the granting of exemptions to conscientious objectors, all kinds of farm exemptions, munitions workers, divinity students and so on; we have boards set up, and all the rest of it. Well when Hitler comes here he will end all this very quickly; and he is not far away at the present time, if we are to believe what we are told. We face the possibility of all this.

I appeal to the minister: let us put some common sense into this system and these rules and regulations. In the first place, an act like this should have been construed strictly for all the people of Canada. The conscription act of the government which was in power during the first great war was construed in a definite, clear way. This act is not. This act has rules and regulations off it, loopholes, exemptions and all the rest of it. We have boards set up headed by judges, so that one would think one was in a court of

law, and now they are advocating that applicants for exemption should have the assistance of a lawyer, and that there be a judge advocate for the board to aid him to get off service. There are no lawyers in Germany getting exemptions for people; the firing squad takes care of that. I have just as much sympathy as any man in the house for the people of the prairie provinces, who have had to go through two wars and a depression. They deserve a great deal of sympathy, but with the enemy at the gate what are we going to do about it?

We have a lottery system in connection with the calling up of recruits. Surely that was never intended under the act or to have such rules and regulations off it. Lotteries are illegal under the criminal code; yet under some of the provisions of this act numbers are put into a hat and drawn to determine who shall be called up. Such a farce! No wonder there is dissension in the securing of recruits, and favouritism. I have spoken to a number of soldiers, and they complain that some men are allowed to come home to the farm while others are not. City men must stay. Only last Saturday one young soldier told me that one man in his unit, who had a brother and sister working in a munitions plant in the city, was going to get an exemption in order to go home and work on the farm. The Grenadiers, the Queen's Own and the other regiments crossed lake Superior in the dead of winter, with the weather 46 degrees below zero, to save the prairie country, and Canada from being dislocated, and they never had any such system as this. They were volunteers. I believe the first duty of a citizen is to defend the realm.

I do not like to bring other matters into this discussion but this is the only chance we have. I am not to blame for the system. The minister's department relates to the war, the mobilization of troops, exemptions, conscientious objectors, farm workers, and others. It also has a large publicity branch known as the information bureau which beclouds the issue. That is about the only humour I have heard since the minister took office, calling it an information bureau. This information bureau is a misinformation bureau; at least I can get no information from it and a lot of such information as is given is not correct. All it does is send out tons of literature. I think a building the size of the Toronto armouries would be required to store all the paper that is wasted by this department. The press are complaining; a great many of the editors have said they consign this literature to the waste-paper basket. This department is costing the country a huge amount of money. For instance, at a time like this, they put out a booklet of all racial origins in Canada and dealing with farmers in the war, entitled "Canadians All" by a gentleman named Doctor Watson Kirkconnell, M.A., Ph.D. I do not know what he is doctor of, music or literature or what, but I think he is a doctor of philosophy. He is a philosopher, if you please. Well, we have had a great deal of philosophy in connection with this act, and Hitler has a philosophy of his own. This booklet—260,000 copies—has been circulated all through Canada and England, and has greatly hurt this country there. It seems that everything must have stamped on it, "Issued by authority of the Honourable J. T. Thorson, Minister of National War Services," and all that sort of thing. It must be remembered that any money required for this department comes out of the estimates or out of this $2,000,000,000 resolution. Separatism is rampant; one would almost think we did not belong to the British empire.

I have here another booklet, in which they quote a celebrated gentleman, Mr. L. W. Brockington, official recorder of Canada's war effort. He told the people of England and the United States, and it is on the top of another pamphlet of the department:

> King George VI of England did not ask us to declare war for him; we asked King George VI of Canada to declare war for us.

Did you ever hear anything like that in all your life, raising such a separatist status issue with the war on, after we in this house had agreed to put aside all party politics for the duration of the war and some time after, and to think of nothing but the war? Is it any wonder the business men are wondering about the awful cost of this sort of thing? To return to Doctor Kirkconnell's booklet, what does this gentleman say about the Japanese? I will read just one sentence, at page 25:

> In Canada, especially on the west coast, we have 23,000 Japanese . . . Our Japanese show a lower crime rate (1931 census) than any other group in Canada.

That is a deliberate misstatement of fact, and I challenge it right now. This book is issued for one purpose, as I see it: political propaganda, and the glorification of the foreign-born in this country at the expense of the British-born, for disunity. I agree that the foreign-born make fine citizens, but I object to any publication being issued to set class against class, those of one racial origin against others, something which no decent citizen would do in this country, and it is mischievous, when war is on, to suggest all this in book form and raise the question. That cry is raised on every page of the booklet. Then the author goes on to refer to some people

whom I consider friends. I have not very many of them in my constituency, but I have known a great many during the course of my experience, and I have found them to be splendid, loyal citizens. I refer to the Jewish citizens of Canada. The information given about them in this booklet is not correct. Some time ago the Minister of National Defence laid on the table the figures in connection with recruiting, and according to those figures this class of the community had about 0·51 per cent of the population in the army. But this is the statement which appears at page 39 of this booklet:

> However, the people of Canada will not lend their aid to this particular activity of enemy agents, because the evidence is all around us to prove overwhelmingly that our Jews in Canada are conscientious, industrious and loyal citizens.

Of course they are; who has suggested otherwise in war time but the author? With our soldiers getting $1.30 a day to fight the Germans, they do not need this gentleman, who never was in the army overseas, who received $16,000 of the money of the people, to publish an unneeded book like this in war time. Almost all our foreign-born people have made good citizens, and they do not need any boosting like this. It is done for political propaganda. They are welcome in this country. We are glad to have the various classes he names. They are among some of our finest citizens. They are hard working, and we owe a great deal to them for what they have done in the exploration, settlement and development of this country. The author of this booklet goes on, as I see it, to insult the British-born and the members of the Canadian army of British origin. He says:

> While the percentage of male Canadians of all origins, twenty-one years of age and over, who served in the C.E.F., was 31·02, the figure for Canada's Jews stands distinctly higher, at 37·81 per cent.

Another misstatement of fact. I do not know whether the present minister was in the government when this book was started; I do not think he was The book was a mistake. It continues:

> While, moreover, only 3·38 per cent of all Canadians in the C.E.F. received declarations for bravery and distinguished conduct, 4·52 per cent of the Canadian Jews in the C.E.F. won such declarations.

Then, he is criticizing the situation in Great Britain. Enlistments, according to the figures of the Minister of National Defence were ·051 per cent, and those figures are not correct. So much for that book. I fail to see why the people of Canada pay for it.

Not being satisfied with that, this same gentleman appeared at a meeting of the Royal Canadian Institute held in Convocation hall at the university of Toronto in December, 1941, and said:

> "Canada is no longer an Anglo-Saxon country in terms of national origin, and there is little likelihood that any large-scale immigration from the British isles will take place after this war is over," Professor Watson Kirkconnell told the Royal Canadian Institute in Convocation hall on Saturday night.

That statement has done untold injury in the old country. I have seen it in newspapers from the old land, and they are wondering what is the matter with Canadians, who are putting up with all these conscientious objectors, and publishing books like this in war time.

In my opinion this particular department is attempting to do the impossible. I believe in what Wordsworth said of Milton of the time of the Napoleonic wars. It is reported that Wordsworth said, "Milton, thou shouldst be living at this hour; England hath need of thee." I would substitute for that, "Gilbert and Sullivan, thou shouldst be living at this hour; Canada hath need of thee to describe what is going on in all this playing at war and with all these picture books, with the difficulty of getting men into uniform, and all that kind of thing." No wonder recruiting lagged, on again, off again, on again!

I ask: Where is the treasury board when all this is going on? We have a treasury board, and if the treasury board is not meeting I understand the minister now has power to take action and spend money anyway like water. The dead-hand of the treasury is on this department—because that is all it is, a dead-hand. They can spend money like water; they are spending all kinds of money like water; a mint of money is wasted, and yet all this kind of thing is going on in this department.

They are not satisfied with one thing. No; they have got out a proclamation in connection with the anniversary each September of the declaration of war, to come again on September 10. I do not even see the king's name in it, in connection with the proclamation. Here is a celebration of an anniversary of the war, and the king's name is not in it. More separatism. We all know that the war started the day Great Britain declared war, because when Britain is at war, so is Canada.

Mr. THORSON: It started the day Canada declared war.

Mr. CHURCH: When Hitler and his axis ships approached the *Athenia* he did not say, "Oh, you have not declared war, yet." Hitler did not pay any attention to our proclamations; he just sank the *Athenia,* with 130 Canadians on board.

I do not wish to be unfair to the minister, and I will say that I believe he is conscientious, hardworking and did not initiate this legislation. I do not know him as well as some do, but I believe he is trying to do his duty. But he is trying to do it under impossible conditions and an impossible system.

There is another gentleman in the department, the director-general, Mr. Lash, who is giving talks over the radio. One can scarcely turn on his radio without hearing this gentleman who is supposed to be the director. I asked a question on May 6 as to who authorized these Santa-Claus books, and under whose instruction this particular book was written. The answer was that it was written under the instructions of the director of public information. It is the work of the director and all his regiment of hussars. One cannot turn on the radio at night without hearing them. I shut off my radio, because I do not wish to listen to those people talk and give wrong information about Ontario recruiting. What has he been doing?— spreading seeds of disunity between Ontario and Quebec by his talks. He has given figures on active recruiting. I will say to him the figure was given last week in the above return showing that of 38,000, there were 37,000 who applied for exemption from one province. Those are the figures, whether he likes them or not.

No wonder people are groaning under heavy taxation. They wonder where the trouble is, but we allow these expenditures to go on in this manner.

Mr. DOUGLAS (Weyburn): To-night the minister challenged a statement I made, and on a question of privilege I should like to draw his attention to—

The CHAIRMAN: Just speak to your question of privilege.

Mr. DOUGLAS (Weyburn): The minister challenged a statement I made earlier, and I suggest I should be given an opportunity of placing the facts before the minister, before the committee rises.

The CHAIRMAN: That is not a question of privilege. A question of fact stated by an hon. member can be challenged by any other hon. member. If it were a personal statement made by an hon. member, or if words had been incorrectly stated, there would be a question of privilege. But there is no privilege in challenging the accuracy of certain facts which have been stated. They can be challenged. There is nothing personally affecting the hon. member when he challenges facts.

Mr. DOUGLAS (Weyburn): The accuracy of the statement was challenged, and I merely wished to check up on it.

The CHAIRMAN: I promised to recognize the hon. member for Témiscouata.

Mr. POULIOT: One point in these regulations that I cannot understand is this, that the man who is usefully engaged as a farmer may be refused an exemption, while the parasite who says he is a conscientious objector may enjoy exemption. That seems unfair. On the one hand we have a good farmer who brings his case to the board. The board says, "No; we can do nothing." And there is no power in the minister or in the government to change the decision of the board, except by abolishing that body. On the other hand there is the fellow who is always in a poolroom, and who does not work. He is a parasite, and says he is a conscientious objector. That fellow will not go to work.

It is said that in 1873, in the days of Sir John A. Macdonald and, later on, at the time of Sir Wilfrid Laurier, some concessions were made to the Doukhobors and the Mennonites. This, again, I cannot understand. I remember on one occasion, when a former Liberal government was in office, I asked a minister why the government did not remove the exemption from tax-free bonds in 1922, as soon as they took office. He told me that they thought they had to respect a contract. Well, I find it immoral in war time to grant an exemption to Mennonites and Doukhobors, on account of some silly enactment made in the past.

It is a defiance of the people of the land to grant exemptions to these conscientious objectors. There are people who should not be given these exemptions and yet who enjoy them by virtue of the regulations and by virtue of the law. However, these regulations are no worse in that respect than was the Militia Act and the Borden conscription act of 1917. The minister will always have this matter brought up every time the farmers are dissatisfied.

The hon. member for Broadview (Mr. Church) referred to the information bureau. Everyone knows my views about that. I suggested that it be reformed by abolishing it. The hon. member for Broadview gave the Toronto viewpoint, and I shall give the viewpoint of the province of Quebec. The French director is a fascist and a neurasthenic and he is not qualified to be on the bureau. His stuff is silly; his letters are absolutely silly; it is all a waste of paper. I have complained about getting no information from this bureau. We did get some data from the Department of Munitions and Supply, but there was always something lacking. We were given the names and the amounts of money that

were spent, but we were never told the quantity of goods furnished and therefore it was an impossibility to know the cost. Moreover, it was given to us in such a way that a member of parliament would need ten secretaries and ten adding machines to know how much the packers were paid in a month or something like that. It was impossible to get any real information; it was simply a list of names and the disbursements of money—the quantities were never shown. It was so bad that the mayor of Ottawa complained about it and suggested it was useless. Now that we do not have anything, we are just as well off as we were when we had those figures.

All we get from the information bureau is data about rubber and gas and oil. It is simply a detective novel published in instalments. We hear something about Mr. Cottrelle and Mr. Berkinshaw; it is simply a clearing house of matters regarding the Department of Munitions and Supply. Sometimes the literature that comes out of this office is provocative and the minister may have trouble with the people because of it. So I join with the hon. member for Broadview in asking the minister to abolish this department.

I think the minister should define the phrase "ordinarily resident". Outside of the provisions that relate to Doukhobors, Mennonites and conscientious objectors I cannot say, as does the hon. member for Broadview, that this is political legislation. I believe that under the present minister the regulations will serve the purpose for which they were drafted. What the minister needs is cooperation from the boards. He must be the guiding star of the boards. Simply because they have the right to make final decisions is no justification for their acting in contravention of the spirit of the law. The minister is the lawmaker, and when he gives an interpretation of the regulations, that interpretation should be followed. When the boards do not do that, the only recourse is to change them.

I do not complain about all cases, but there are some in which decisions were given without sufficient consideration to satisfy public opinion. I hope the minister will take action. He is the boss of his department and he does not need advice from any of his colleagues regarding the operation of the regulations. Members of parliament know more about the operation of the regulations in their own constituencies than do any of the ministers except the minister in charge of this department. When members of parliament make representations that are in the public interest I hope the minister will consider them as such. I have great admiration for him and he knows it. I want his support so that we shall have the least possible trouble in that regard.

Sometimes we have to fight to get men into the army when they want to join, but when a man is indispensable on a farm it is the duty of the board to keep him there until conditions change. This is the interpretation of the law that is expected by all. I want the minister to take what I have said in the spirit in which I have said it. My only desire is to have everything in his department run as smoothly as possible, to see that justice is given to all. When I know of some unfairness or injustice I cannot do otherwise than ask the minister to help me to redress the wrong.

Mr. THORSON: I would say to the hon. member for Témiscouata that I have noted his request for a definition of the phrase "ordinarily resident in Canada." That will cease to have anything but an academic interest in view of the announced policy of the government that the regulations will be made to apply to all residents of Canada, whether British subjects or otherwise. The Prime Minister made that announcement of policy, and it is merely a matter of working out the intricate arrangements that are involved.

The hon. member for Pontiac (Mr. McDonald) raised a question with regard to the notice relating to medical examination and stated that in certain cases the person receiving the notice was not told of his right to apply for postponement. My information is that along with the notice of medical examination goes a set of instructions and that those instructions definitely indicate to the person who receives the notice what he has to do and what are his rights. In order that it may be a matter of record in the same *Hansard* in which is reported the remarks of the hon. member for Pontiac, I should like to put these instructions on *Hansard*. They are very brief. With the leave of the committee I shall do so. The instructions are as follows:

Department of National War Services
Instructions

Upon receiving the enclosed "notice—medical examination" you will proceed, within three clear days, to any duly licensed doctor in your village, town or city, or at the nearest point to you. Show the doctor your "notice—medical examination" and be sure to sign the "medical examination and certificate" form used by the doctor who will examine you. You are reminded that you must proceed to the doctor at your own expense and that the department

will not pay any transportation in connection with your medical examination, but the department will pay the examining physician for examining you. Any question which you may wish to take up should be taken up in a letter addressed to your divisional registrar. His address appears in the upper left hand portion of the "notice—medical examination". You are also reminded that you must notify your divisional registrar immediately if you are a student at some university or college, or a member of the navy, the army or the air force, or of a non-permanent active militia unit. Should you have reason to make application for the postponement of your period of military training, do it right now to your divisional registrar. Your divisional registrar will not receive any application for postponement after eight clear days of the date appearing on the enclosed "notice—medical examination". If you are notified to report for military training you will receive a transport warrant covering only the distance from your stated place of residence to the training centre to which you will be notified to report. The department will pay no other transportation. By following the above instructions you will be serving your best interests.

Progress reported.

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

Tuesday, May 19, 1942

The house met at three o'clock.

SHIPPING LOSSES

REQUEST FOR SECRET SITTING—STATEMENT OF MR. ROY

Mr. J. S. ROY (Gaspé): On a question of privilege, in his answer to an interpolation of the hon. member for Témiscouata (Mr. Pouliot) yesterday in respect of my request for a secret sitting, the Prime Minister (Mr. Mackenzie King) said this—I quote from *Hansard* at page 2500:

> The reply made to the hon. member for Gaspe last week was that he should give the information which he had to the minister of the department concerned, and if the minister thought the information to be of a kind which rendered a secret sitting advisable it would be so arranged by the government. I am advised that the information conveyed to the minister, in his opinion and the opinion of the cabinet —I can speak for the cabinet because I was present at the discussion—does not warrant the calling of a secret sitting.
>
> As to my hon. friend's suggestion that we should have secret sessions at stated times, I think the public would be inclined to take the view that so far as sittings can be open they should be open, and that the government should resort to secret sittings only where there appears to be the strongest of reasons.

What I said in my statement of last Friday was this—I quote from *Hansard* at page 2470:

> In view of the close proximity of the coast where enemy submarines are now operating, and by reason of particulars I possess and desire to share with the house, but which it would not be wise to disclose publicly, I would ask the government as the representative of the constituency in the vicinity of which these enemy submarine activities are taking place that an immediate secret session of the house be held to consider these most important war developments which are taking place as far as 300 miles within our Atlantic border. These events are of such gravity that it seems to me that the people's representatives should be made aware of all details concerning the attacks and be given an opportunity to take part in deliberations on the means to protect our threatened country.

My request of Friday last for a secret sitting of the house was not based upon the necessity of having such a means of conveying my information to the Department of National Defence, but rather to the house, as I very clearly stated, to permit members of parliament to discharge their duties towards our endangered country. I am prepared to present to hon. members of this house the information which I possess and which I deeply feel should be shared by all members in order that they may truly understand at least some of the perils to which our country is exposed at the present time. In my opinion it would be wiser to discuss that very important matter in secret, and there are more than sufficiently strong reasons, as stated by the Prime Minister, when our country is being attacked as it is, for members to be given an opportunity to look after the greatest interest of all in the protection of the whole country—

Some hon. MEMBERS: Order.

Mr. ROY: Just a few more words and I shall have finished.

Mr. SPEAKER: I have allowed the hon. member to proceed with his statement but he has really gone farther than he could reasonably go on a question of privilege. However, he may continue and conclude what he has to say.

Mr. ROY: Thank you, Mr. Speaker, I hope that the Prime Minister will see that due consideration is given to the request for granting a secret session as soon as possible.

DEFENCE OF CANADA REGULATIONS

DETENTION OF JAPANESE NATIONALS ON RECOMMENDATION OF SECURITY COMMISSION

On the orders of the day:

Hon. L. S. St. LAURENT (Minister of Justice): I lay on the table of the house report pursuant to paragraph 3, regulation 21, defence of Canada regulations. This report

shows, first that the number of persons detained under orders made pursuant to the above regulation from April 21 to May 18 inclusive is 202, all persons of the Japanese race, detained on recommendation of the British Columbia security commission. It also shows that there were no cases in which the Minister of Justice refused to accept a recommendation made by an advisory committee.

GASOLINE

REDUCTION IN VALUE OF RATION COUPONS IN MARITIME PROVINCES

On the orders of the day:

Hon. C. D. HOWE (Minister of Munitions and Supply): In reply to a question asked yesterday by the hon. member for Royal (Mr. Brooks) and other questions asked privately by the hon. senior member for Halifax (Mr. Isnor) I should like to make a brief statement as to the position of our gasoline and oil supplies in the maritime provinces.

Under normal conditions, refineries in the maritimes receive their crude oil by tanker ship from south America. Over a period of months I have had occasion to discuss the increasing gravity of the transportation problem with respect to crude oil. I sometimes fear that my warnings have gone unheeded, for now that we are faced with an acute situation in the maritimes, there is some surprise and considerable indignation that this should be so. The sinking of tanker ships by enemy submarines has greatly reduced the amount of crude that can be delivered to maritime refineries. At the same time there has been a great increase in the requirements of the armed services, particularly the navy, which is using large amounts of fuel oil. To meet this situation, we have had to change refinery runs from automobile gasoline to heavy fuel oils. Since the first of February last we have been able to refine very little automobile gasoline in the maritime provinces. In recent weeks the loss of tankers became so severe that shipping on the Atlantic coast was tied up for a period of ten days. This further aggravated the supply position. For some weeks now, we have been supplementing the supply of fuel oil that is available from maritime refineries by shipments in tank cars and tanker ships from Sarnia, Toronto and Montreal. At the present time we have all the tank cars that can be mobilized engaged in this service.

When the rationing system was established we deliberately fixed on a unit that would permit variation in the amount of gasoline that could be purchased. We did this because we expected that the amount of gasoline available for civilian use would vary from time to time. The reduction of the content of the unit from five gallons to two gallons in the maritimes was not an arbitrary move but is based on the amount of gasoline that is available in those provinces for sale to the ordinary user. If we had left the unit at five gallons, we should have had a situation where those who reached the gasoline station first would have obtained their supplies and the balance of the population would have gone without gasoline. The suggestion has been made by the premiers of Nova Scotia and New Brunswick that the amount of the unit should be reduced in the whole of Canada. I do not see what useful purpose would be served by this as there would be no way of transporting to the maritimes the surplus gasoline which would be available in other parts of the country. All the tank car and tanker ship capacity that can be mobilized is now carrying fuel oil to the maritimes for the navy and the merchant marine. Undoubtedly the reduction in the unit will work much inconvenience and hardship. I do not see what alternative there is to this if we are to meet the needs of the armed services. I am sure that when the facts of the situation are known, the people of the maritime provinces will accept this privation with their customary good spirit and patriotism.

With regard to curtailment in other parts of Canada I may say that the situation in Canada is exactly parallel with the situation in United States. There the area along the northern portion of the eastern states is very severely rationed, whereas all areas of the United States outside of that zone have no rationing in force at this time.

Mr. A. J. BROOKS (Royal): There is a feeling that gasoline is being shipped from the martime provinces to the province of Quebec, and that if we are to have curtailment in the maritimes there should also be curtailment in Quebec, or the gasoline should be left in the maritime provinces.

Mr. HOWE: No gasoline has been shipped from the martime provinces to Quebec to my knowledge. But I may say that in the past five weeks large quantities of gasoline have been shipped from the province of Quebec to the maritime provinces. So that I think my hon. friend should not cast aspersions.

Mr. BROOKS: I want to correct that; I am not casting aspersions. It is not my opinion; I have heard that report. It is the opinion of some people in the maritime provinces.

LABOUR CONDITIONS

EMPLOYMENT OF YOUTHS OF SEVENTEEN IN WAR INDUSTRIES

On the orders of the day:

Hon. HUMPHREY MITCHELL (Minister of Labour): The hon. member for Waterloo South (Mr. Homuth) asked a question yesterday with respect to the employment of young men of seventeen years of age. The answer is that there is nothing in the selective service regulations that prevents a seventeen year old boy from getting work in any non-restricted industry, even without a permit. To enter a restricted occupation he has to get a permit, but permits are granted almost automatically to enter restricted occupations if war work is not available. There is nothing in the regulations, or in the application of the regulations as far as we know, which would keep a seventeen year old boy out of work. If hon. members will bring specific cases to our attention we will undertake to deal with them. Or if they can provide us with specific information as to any selective service officer not carrying out these principles, we shall be glad to investigate.

Mr. HOMUTH: Do I understand the minister to say that they must have a permit to work in a restricted industry?

Mr. MITCHELL: Yes.

Mr. HOMUTH: From whom do they get the permits?

Mr. MITCHELL: They get them from the selective service officers. There is one in the hon. member's district.

VICHY REPRESENTATION

REQUEST FOR STATEMENT AS TO RELATIONS WITH OCCUPIED FRANCE

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): The Prime Minister said he hoped to be able to make a statement regarding our relationship with occupied France. Is he prepared to make such a statement now, or may we expect it within a few days?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might say to my hon. friend and hon. members of the house, first of all that a minister is not accredited to any government; he is accredited to the country to which he goes. In considering the position of the French minister in Canada and the position of Canada's representative to France, who at the present time is the chargé d'affaires of our legation, that circumstance of necessity has had to receive a great deal of very careful consideration. We have had to consider as to whether it would be wise to give to the people of France, 95 per cent of whom I believe are thoroughly opposed to the present administration in France, the impression that this country had found it necessary to sever its relations with France by reason of a particular government being in office there at the moment, which government may be out of office to-morrow or a little later. That is a matter which I am sure my hon. friend and other hon. members will see should be most carefully considered.

The government have had the benefit of an exchange of views with the governments of the United Kingdom and of the United States. We have had here in consultation with the war committee of the cabinet Mr. Dupuy, who has been and is at the present time chargé d'affaires of our legation to France, and Mr. McCarthy, the Canadian minister at Washington, who has had the benefit of sharing in discussions at Washington bearing on the matter. Considering all points of view very carefully the government have thought it inadvisable at the present time to make any immediate change.

There are reasons in addition to those that I have given to the house in this way that are all-important, but which it would be inadvisable to disclose. But I have given a reason which I think hon. members will realize is one of very great significance, particularly where it is most desirable to sustain in every way possible the morale of the French people, as distinguished from any mark of approval of a particular government.

In saying what I have said I should like to emphasize with respect to the present government at Vichy that no one in this country so far as I am aware has other than the strongest of feelings against the present administration in France.

SHIPPING

REPORT AS TO ESTABLISHMENT OF FURTHER SHIPYARD FACILITIES IN NOVA SCOTIA

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I should like to ask a question of the Minister of Munitions and Supply arising out of an item in the Halifax *Herald* of May 14, in which Premier MacMillan of Nova Scotia makes the announcement—I shall not read it all because it is quite lengthy—that he had been in conference in Montreal with Mr. H. R. MacMillan, head of Wartime Merchant Shipping Limited, and that Mr. H. R. MacMillan had intimated to him that there was a possi-

bility of the establishment of another shipyard in the province of Nova Scotia. Since that item appeared in the press I have received many letters inquiring where the yard would be located. Has the minister any knowledge of this matter, and is it the prerogative of Mr. H. R. MacMillan to make announcements of this kind on behalf of the department?

Hon. C. D. HOWE (Minister of Munitions and Supply): I have no knowledge whatever of the conversation referred to. I think I am the one who is entitled to make announcements for the department, and I have not authorized anyone else to do so.

WAR APPROPRIATION BILL

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

The house resumed from Monday, May 18, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Fournier (Hull) in the chair.

MUNITIONS AND SUPPLY

Mr. JOHNSTON (Bow River): The Minister of Munitions and Supply has just drawn to the attention of the house a certain aspect of the gasoline situation, and in his remarks he referred to the situation in the United States, which I think needs commenting upon. The minister's remark was to the effect that the gasoline situation in Nova Scotia and the maritime provinces was about the same as in northern New England. I have here an item taken from the Ottawa *Journal* of May 15, 1942, being a dispatch from Washington, dated May 14, as follows:

Senator Sheridan Downey (Dem.-Calif.), asserting the United States is "approaching a desperate condition on gasoline and rubber," told the Senate to-day that all tankers normally plying between Gulf of Mexico and Atlantic ports had been ordered into harbours.

Downey did not say what was the source of his information and there was no confirmation from the navy that tanker movements along the east coast had been halted.

Axis submarines apparently have made tankers a primary objective of their campaign.

In peace time, tankers transported about 95 per cent of the east's oil requirements.

I think it is important to realize that the oil situation is becoming desperately acute, and unless we give a great deal of attention to the gasoline and oil supplies of this country I greatly fear that conditions will become much worse than they are at present. I remember speaking at some length on this question of oil production away back on March 14, 1941, when I pointed out that the oil situation at that time was very dangerous. I said that the oil supplies in the far east, in the Persian fields, in Iraq and Iran, were in great jeopardy, and that it was not beyond the realm of imagination that we should lose those oil fields, and the oil fields of Burma as well. I made that statement as early as 1939, and it seems now that I was right, in part at least. The situation is extremely grave, because both the British fleet and the United States fleet may become desperately in need of oil supplies, and we are not in a position to assist them. It is a shame that we are not in a better position than we are in to-day as regards gasoline and oil, because the facts were quite clear to all of us when the war first broke out. I pointed out then that consideration should be given to building a pipeline from, say, Turner Valley to the head of the lakes, and from Alberta to the Pacific coast. We had the materials and the labour then, and had that been done our present transportation problem would not be nearly as serious as it has been stated by the minister to be. A tremendous amount of gasoline is being used, and the situation is such that I think even to-day the whole field should be reviewed with a view to taking drastic measures to build up oil resources. I have an extract here from a Fort Erie paper, in its issue of January 8, 1942, which I think would be of interest to hon. members. It is headed "Gasoline a Vital Necessity," and reads:

Although recognized in a general way, the vital importance of gasoline supplies in modern mechanized warfare is better realized when figures of consumption are taken into account.

Army cooking for each 9,000 men involves the use of gasoline stoves which burn up 720 gallons of fuel a day. An army of 1,000,000 men would need some 80,000 gallons daily for cooking purposes alone.

Big tanks—such as the 12-ton models—consume a gallon per mile. For every mile traversed, a mechanized brigade uses 100 gallons for its 112 small tanks plus 615 other motor vehicles.

Planes, especially when in combat action, are huge consumers of gasoline. One with a single motor might operate under cruising conditions for an hour on 45 gallons; but it will eat up more than twice that much while in actual combat.

A big bomber consumes as much as 240 gallons in a single hour when flying at top speed. A five-hour raid by 600 bombers would use up 720,000 gallons.

In a single hour 500,000 gallons would be burned by a modern air armada, consisting of 2,400 bombers and 1,600 fighter planes.

Available supplies of petroleum may yet prove to be a deciding factor in this war; for, if it lasts long enough, the side which exhausts its supply first will be compelled, automatically, to acknowledge defeat.

That was written on January 8, 1942. The last paragraph of it points out quite clearly that the "available supplies of petroleum may yet prove to be a deciding factor in this war." I think when that article is read by all the members, and they realize the tremendous amount of gasoline that is being consumed every day, the importance of new production will be thoroughly impressed upon their minds. Gasoline and oil supplies will be the vital factor in this war, because clearly this is a mechanized war, and one much different from any other we have had. Time is possibly one of the greatest factors contributing to our success.

I remember back in 1940 having asked the question:

What steps are being taken by the government to increase the production of oil in Alberta and other parts of Canada?

This was the answer from the Minister of Mines and Resources:

Mr. Crerar: Production of oil can be increased only by drilling and by finding new oil fields, or the extension of old oil fields. The finding of new fields and the extension of old fields is in a large measure a geological problem, and field parties of the bureau of geology and topography are attacking this problem in the two main producing regions.

There is probably some room for criticism, when the emphasis is laid on the fact that the oil fields could be got only by drilling. I realize that the drilling of holes in the ground is probably much more inexpensive than some other processes by which oil may be obtained. But that was away back in 1940. What increase in production has there been in Canada since then? I think there has been a very small amount of actual increase in production. There has been a good deal of survey work, but so far as actual increase in production in oil wells is concerned, I think it is rather negligible. Probably there has been a good deal of ground and survey work, but no real practical results have been achieved.

The next question was:

Is anything being done by this government to construct a pipeline from Alberta to the Pacific coast or the head of the great lakes?

The answer was:

Officers of the department have conducted an investigation into the economic feasibility of the pipeline movement of Turner Valley oil to Ontario, and this is now being studied.

I do not think anything has been done on that score. It was under consideration at that time, so the minister pointed out. But again there was procrastination, and nothing has been done. I am sure that if we now had a pipeline from Alberta to the head of the lakes or to the Pacific it would be of great assistance to the Minister of Munitions and Supply. I say that because I imagine oil supplies would be more necessary along our coasts than in the central provinces, because of the proximity to the danger zone.

The next question I asked at that time was:

How much additional survey and exploration work will be carried on in Alberta and other parts of Canada in an earnest endeavour to increase our oil output?

This was the answer:

The increase of effort this year has been made in Alberta and bordering parts of Saskatchewan where the geographical and topographical field parties have been increased from six to seventeen.

While these questions were asked of the minister, and while he said that investigations were being made, so far as actual increase in production is concerned nothing of real importance has developed. The time has come when we have to do something more than merely investigate. If thorough investigation was made at that time the minister should now be in possession of sufficient information to start immediately something worth while in this regard. I can well realize the minister's attitude with respect to the development of further fields, from the point of view of its being more economical to drill wells than, say, to develop the tar sands of Alberta. But I take it the main concern should not be the expense involved, but rather the question: Can we get the production?

I believe I was not far wrong in the statement I made a while ago to the effect that the actual output of production did not increase to any appreciable degree, that it was practically the same. Especially I believe is this true in Alberta. There is an increase of a few thousands of barrels a day. When the war started it was something like 26,000 barrels—the minister will correct me if I am wrong—and it was increased by a few thousand.

I have an article before me which makes comment on that situation. This is taken from the *Monetary Times* of January 3, 1942. Under the heading "Crude Output Stays Constant", it says:

The output of crude petroleum and natural gasoline from Canadian wells maintains a fairly constant average as disclosed in reports covering operations for the months of September and

October, yet at the same time showing a sizeable increase over production one year ago. The Dominion Bureau of Statistics reports the output of crude petroleum and natural gasoline for October last as 871,491 barrels; for September the total was 878,782 barrels.

There is not a great deal of difference there.

In October, 1940, the output of the wells was 817,596.

Again it is practically the same.

Taking the aggregate for the ten months ended October 31 the totals are: for 1941, 8,370,968 barrels; for 1940, 7,086,161 barrels.

Alberta's contribution to this yield was 856.191 barrels of which 844,407 came from the Turner Valley field, 991 from Red Coulee field, 1,302 from Wainwright-Ribstone field and 6,900 from other fields.

As a new source of supply it is recorded that 2,591 barrels of crude oil were extracted from the tar sands of northern Alberta during the month of October.

I believe that statement fairly well bears out what I said. I suggest it reveals that the tar sands present a great potential source of supply. It may be said that production from those sands would involve too much time, and that too great an expenditure would be required to get an appreciable amount of production. But no matter whether that be true or not, if we can increase production, that is the thing we should make every effort to speed up. My information leads me to believe that there is a tremendous amount of fuel oil there.

On February 18, 1942, I raised the following question in the house, as reported at page 686 of *Hansard:*

I should like to ask a question of the Minister of Munitions and Supply. In view of the serious situation in the far east, and the possibility of our losing our far eastern oil supply, what is the government going to do to cause an actual increase in Canadian production of oil?

Hon. C. D. Howe (Minister of Munitions and Supply): Various steps have been taken. The tax structure was revised at the last sitting of the house to encourage drilling for oil throughout Canada. That revision had a very stimulating effect in the direction indicated. At this time steps are being taken to develop small oil areas for specific uses.

Those negotiations are going on at the present time. I do not know that we have gone further than that. But I can say that we think we are developing considerably the production of oil. I have no suggestions to make to the government to enlarge our operations in that respect.

Mr. Johnston (Bow River): Is anything being done with the tar sands?

Mr. Howe: I have a very exhaustive report on the subject of tar sands, and I should be very glad to let my hon. friend have a copy of it. It indicates, however, that the location of the sands and the possibility of development is too remote to be of any great use in this war.

[Mr. C. E. Johnston.]

The Minister of Munitions and Supply made available to me the report to which he referred. I read it, but I must say I was not very much impressed by the recommendation or the suggestion which would be left to the minister in that regard. The report was confidential, and I have no intention of referring to its terms. However, the fact that there has been considerable production from these tar sands and that the minister knows definitely that oil is there makes it imperative that something should be done, and without dalay. In fact, it should have been done a long time ago. As the minister said:

It indicates, however, that the location of the sands and the possibility of development is too remote to be of any great use in this war.

The minister has possibly changed his views, at least to some extent, since that time, because when he was speaking in the house the other day he had this to say, as reported on page 2478 of *Hansard:*

The position of oil development within Canada has, of course, been changed considerably by the events of recent months. I think most people had looked upon the tar sands of Alberta as a great reserve of oil for some future period when the more easily accessible oil resources would have been exhausted. But to-day we think of that same area as a source of immediate oil production.

I am pleased that the minister has apparently changed his views and now is of the opinion that something should be done immediately with the tar sands in Alberta. He continued:

—provided the problems connected with its development can be solved rapidly and with some degree of certainty.

An intensive study of the tar sands is under way at the present time. That study was organized by my department, and we have interested in it the leading oil engineers of this country, not noly men in the public service and on the staff of the national research council, but also oil engineers from industry. We have interested Consolidated Mining and Smelting, who have had a good deal of experience in meeting mining problems in that area.

I may say that the mining of the sand itself is one of the major problems that has not yet been fully worked out. We have asked all these interests to prepare a report for the government and advise whether a devlopment should be undertaken at this time and the extent of development which the conditions would warrant, whether we should proceed with a pilot plant or whether the situation is such that we can immediately develop on a considerable scale. I am expecting the report shortly, and appropriate action will be taken.

There are two suggestions there which I think are worth mentioning. The minister

has in mind the possibility of starting a pilot plant. I believe the plant already there has been doing good work in that regard, but the minister may have in mind the starting of a government pilot plant. Surely the work which the Abasand people have done in that area should be sufficient to indicate definitely to the minister whether or not it would be practicable to start a plant. His views seem to have changed, and it would be a shame if even at this late date the minister should not decide to go in there, even though it was necessary to put up a government plant. I think that idea is quite commendable. It will probably cost a lot of money to establish a plant which can make speedy production of this greatly needed fuel, but the minister would be well advised to continue to keep in mind the possibilities of putting up a plant.

There is also the suggestion which I made to the Minister of Mines and Resources (Mr. Crerar), that a pipeline be laid to the Pacific coast, either from Turner Valley or from the tar sands themselves. A military road is now being put through that part of the country, and it might prove to be of great assistance either to bend the road a little so that it would touch the tar sands or to build a feeder road from the tar sands to the main road. Airports are being constructed all through that northern country, and something should be done immediately with these tar sands so that the fuel required for the planes using the airports may be provided by these sands. The time is long past when this development should have taken place. Even though we are three years late in doing it, I hope the minister will see the urgency and the necessity of starting something immediately.

Mr. BLACK (Cumberland): I should like to make one or two inquiries of the minister with respect to the tourist situation in Nova Scotia and with respect to the position of the garages in the maritime provinces. I think I speak for most of the people of Nova Scotia and the maritime provinces when I say that as a war necessity they are willing to submit to any inconvenience and do without gasoline if necessary, but they naturally do not want to be discriminated against as compared with the rest of Canada. During this session we have heard a great deal about parity prices and so on, but there must of necessity be a feeling in the maritime provinces that there is not a parity of sacrifice or inconvenience when they are reduced to two-fifths the quantity of gasoline allowed to the people in other parts of Canada.

The tourist business is very important to the maritime provinces, but as things stand at present this business is practically ruined for the coming season, unless the minister can make an announcement within a reasonable time indicating that the situation has been eased and that gasoline will be available for tourists to enable them to visit Prince Edward Island and Nova Scotia. New Brunswick is also affected, but not to the same extent. If the minister cannot do this, he should make a definite declaration as soon as possible that the situation will not improve, I am sure the people interested in the tourist business will submit and make their plans accordingly.

The next appeal I have to make is with respect to the garages in the maritime provinces. Their car business has been destroyed, their tire business has been restricted almost to the vanishing point, and their gasoline sales amount to hardly anything. I appeal to the minister to extend his programme of "bits and pieces" so that some war business may be assigned to the garages. There is a feeling in these outlying parts of Canada that they are not getting a fair share of the enormous war expenditures such as are being made in central Canada. I suggest to the minister that he assign some senior official or outstanding business man to a study of the requirements of the bits and pieces programme in order to determine what business can be allocated to the garages in the maritime provinces. This would compensate them in part for their regular business destroyed by present war conditions. They have splendid workmen in most of these garages who would very quickly adapt themselves to different processes of manufacturing. I feel, Mr. Chairman, that this is due these people in the maritime provinces who find themselves on the verge of ruination. The Department of Munitions and Supply will receive a gratifying response and get excellent value for any business so placed.

Mr. HOWE: Answering my hon. friend's question about equality of sacrifice, I might emphasize again that it is not a question of levelling out supplies across the country; I wish that could be done. For example, in the United States, Texas, Louisiana, Indiana and Illinois are flooded with gasoline and oil, whereas the eastern seaboard is down to scratching the bottoms of the tanks. That, of course, is a matter of transportation. We might have all the gasoline in the world in the Turner valley and yet be short in the maritimes; in fact, it would probably be much easier in the ordinary course of events to get gasoline from Louisiana than from Alberta.

It is simply a situation which has arisen unexpectedly. Who in this country would have believed that tanks could not ply between Halifax and the gulf of Mexico? Yet for a considerable period of time they did not travel that route; they were all tied up.

We believe that the situation is temporary. In the meantime we are using all the railway equipment that is available to serve that territory. I believe that every tank car that can be mobilized is in service between Sarnia and Montreal and the maritime provinces. The pipeline from Montreal to the seaboard has been closed down completely for a very considerable period. Added to that is the fact that in the maritime provinces are located our most important seaports; the demand there is heavy for the navy and the armoured services, and we are bending every effort of course to protect these needs.

The department has had a great deal of concern for the garages. We appreciate that their situation has been made difficult. I might point out, however, that since the sale of automobiles has stopped the repair business of most garages has risen considerably, and probably it will continue to rise. As cars get older they will require more repairs. But where a garage has some equipment and desires to get into war work, to the exclusion of other work—naturally we cannot mix war work with repairs of automobiles—we have provision under which in most cases something can be done for those establishments.

Mr. MacINNIS: The hon. member for Bow River (Mr. Johnston) discussed the question of oil. I want to discuss for a few minutes the subject of another kind of production.

The united nations at this time are at a stage of the war in which we shall have to put everything we have got into it if a decisive result is to be achieved this year. So far the obstacle to better military results has always been a shortage of materials. We are now reaching the point of attaining a superiority in war equipment, yet most people will agree that equipment remains our great lack. I have in my hand a statement made by Lord Sherwood, Joint Under-Secretary of State for Air, in the House of Lords last January. It is true that that is four months ago, but I believe that what he then said still holds true. Winding up a debate on air defence, the under-secretary said:

> The British authorities believed their defence system to be better than that of the Germans.
>
> "Of course there is the difficulty there always has been about weapons in this country, because we are still a long way behind what you would properly call a real preparation for a war. We are short of weapons but we shall get these weapons."

I believe we have made very material progress, and I do not want the minister to construe anything I say to-day as criticism either of himself or of his department. I have criticized him and it on occasions, but never with relation to his ability, his energy and his capacity to organize and get production under way; I believe those qualities of his are recognized throughout the country.

But there are obstacles to greater production in Canada which only government action can remove. Our industries are not producing to capacity. They have not done so since the war began. As I mentioned in this chamber the other day, there has been much ado about the slowing down of industry by the workers, but I expect to show before I sit down that that has not been a great factor in curtailing production.

I have before me a brochure on steel production in Canada, prepared by the executive director of the steel workers organizing committee, Mr. C. H. Millard. The figures which I am going to give the committee will be based on information contained in this publication.

For the year 1939 our production of steel was 1,384,870 tons, or 68 per cent of capacity. In 1940 there was an increase; our production was 2,012,294 tons, or 85·1 per cent of capacity. In 1941 there was a still further increase, the production being 2,280,000 tons or 93·3 per cent of capacity. The estimated production for 1942 is, I believe, 2,800,000 tons, or 90·7 per cent of estimated capacity. The figures for 1940 and 1941 are taken from a bureau of statistics publication.

Mr. HOWE: As my hon. friend knows, steel comes in various ways. I suppose he means billet steel.

Mr. MacINNIS: I imagine this is the steel in its raw state.

Mr. HOWE: Forged billets.

Mr. MacINNIS: Yes.

Mr. HOWE: Because the pig iron figures are somewhat larger.

Mr. MacINNIS: Yes. At this rate of production, in 1940 we produced some 375,000 tons of steel less than our capacity; in 1941 we produced some 250,000 tons less than we could have produced; and according to the estimate for 1942—and production, judging from what has already taken place, will I think likely be larger than the estimate—we shall be short some 300,000 tons of our

capacity. These 300,000 tons translated into tanks, ships, corvettes, and other war equipment of the kind make a presentable array of material. Members of the committee who have made any study of these matters are aware that there is a definite shortage of steel in Canada for our war production.

H. R. MacMillan, President of Wartime Merchant Shipping Limited, was reported in the *Financial Post* of February 6 of this year as having said:

> Within another six months construction on the current shipbuilding programme will reach its peak. Greater speed would be possible were it not for the shortage of ship plates of which Wartime Merchant Shipping is currently using 15,000 to 20,000 tons monthly.

On February 27 of this year the steel controller said:

> The shortage of steel is now so acute that its use for articles required by the Department of Munitions and Supply and the armed services is being curtailed wherever possible.

The acuteness of the situation has been developing since the war began. The Canadian Press carried a statement by the Minister of Munitions and Supply (Mr. Howe) under date of November 24, 1941, in which he said:

> Since the outbreak of war Canada has added considerably to its steel production but the expansion programme has not kept pace with the demand of war-time industry, one reason being a disinclination to spend time and money on plants that would be uneconomic in peace time. During 1942 Canada will require two million tons of steel from the United States, it has been estimated here, to supplement its own production. Most of this tonnage represents types that are not rolled in Canada.

I am not at all sure that we are taking advantage of all our resources for steel production in Canada any more than we have taken advantage of our capacity for producing oil. I will show that there are at least possibilities that should be investigated. But the fact of the shortage of steel is curtailing production not occasionally but almost continuously. The member for Weyburn (Mr. Douglas) put some questions on the order paper which were answered on March 4 of this year. He asked:

> 1. Has the shell shop of the National Steel Car at Hamilton been closed?
> 2. If so, for what reason?
> 3. What type of shell was being produced at this shop?

The answers given by the Minister of Munitions and Supply are:

> 1. The National Steel Car Corporation Limited, Hamilton, is making four types of shell.

He states the kinds of shells, and then he goes on:

> A section of the 4·5 AA shell shop was closed from February 12 to February 23, 1942.

That is a shutdown of eleven days. In answer to the second question he gives the reason for this shutdown, namely, lack of steel billets and the difficulty of securing tonnage of steel to the extent required. Since that date employees in the National Steel Car plant have been idle again. My information is that in the first three months of this year they have not worked more than two-thirds of the time. Possibly that is not true of all sections of the plant, but I am told that they lost thirty days in the first three months of the year.

I think we should pay some attention to the statement I quoted from the Minister of Munitions and Supply, or at any rate the statement that was attributed to him on November 24 last, that one reason for the shortage of steel is a disinclination to spend time and money on plants that would be uneconomic in peace time. I submit that we cannot carry on the war while thinking of what may happen to industry when peace comes. If we do not win this war it does not matter much what happens to industry when it is finished, because we shall have nothing to say about it. I am convinced that we should not allow persons with vested interests to retard the war effort by thinking of what is going to happen to this or that industry when the war is over. There has been far too much of that already and it has had disastrous effects on the war industry of the allied nations.

When I saw this item attributed to the Minister of Munitions and Supply I thought of the statement made by him in the house on May 22, 1940. We were discussing then, as we are now, the war appropriation resolution, and the minister—then minister of transport—said this, as reported on page 128 of *Hansard:*

> In the last war, Canada's chief production was shell cases. We are now tooled up to produce this type of equipment far in excess of our own needs, but to date British orders have not been forthcoming in a quantity proportional to our industrial capacity. . . .
>
> This has been disappointing to our manufacturers, who have been building on the precedent of the last war. I can only say that this war bears little resemblance to the last one in the nature of the requirements from Canada. The fact that to date Britain and France have been satisfied to rely largely on their own production and mechanical equipment and have not been disposed to encourage Canadian production of heavy equipment to the extent of furnishing up to date plans and specifications has undoubtedly prevented Canadian industry from playing its full part in mechanical warfare. I am happy to say that there are now indications that this will not continue.

This was on May 22, 1940, when the German armies were riding roughshod over France. Evidently it took that event to bring the

private capitalists of Great Britain and France to their senses. But it was too late to save France. We had better learn a lesson from what happened in France. It happened to a large extent because war production in those countries was under private control, and they were thinking far more of the profits they would make and the state of their industries than they were of building a machine to overcome Hitler's army.

The president of the Steel Company of Canada, Ross H. McMaster, is reported in the *Globe and Mail* of March 19, 1942, to have said:

> It was felt that further outlays, designed to expand capacity far beyond any discernible future needs, could only be undertaken in the national interest—

Evidently these people in normal times are not working in the national interest.

> —and, therefore, the company should be supported in such expenditures by the dominion government.

He went on to report that the government was financing the construction of a new blast furnace and additional open hearth furnaces. But at that time there were in one of our steel plants in Canada both blast furnaces for the production of pig iron, and a rolling-mill; but the capacity of the blast furnaces was some 20,000 tons more than the rolling-mill could handle. In about a year from that date the government I understand came to an agreement with the company and the rolling-mill facilities in that plant have been increased.

Now we have the same story in Great Britain, in Canada and in the United States. See the information brought out by the Truman committee of the United States senate and the Tollen committee of the house of representatives. It is high time this parliament took steps to see that we no longer allow private interests to interfere with Canada's war production. We have taken complete control of the lives of the young men of this country. They cannot move around without permission; they can be picked up anywhere, at any time, and ordered to report for military service; their lives may be snuffed out at any moment. Since we are doing that with human beings, surely it is time we should see to it that industry is brought under the same or even more effective control.

Mr. EVANS: Would the hon. member be satisfied to have labour conscripted too?

Mr. MacINNIS: Labour is conscripted to-day.

Mr. DONNELLY: To work for $1.30 a day?

[Mr. MacInnis.]

Mr. MacINNIS: I have heard plenty about that $1.30 a day. If one takes into account the pay and other things that a soldier receives, dependents' allowance, et cetera, you will find that he is receiving more than the average worker in industry. I hear a lot about the $1.30 a day but I do not hear much about the officers' pay. It is always the $1.30.

Mr. DONNELLY: What are your miners getting—ordinary labourers?

Mr. MacINNIS: Well, what are they getting? In the first place they are not getting it every day, and in the second place those are largely the higher paid workers. We might as well be clear on this. If my hon. friends refuse to conscript industry, and continue to allow industry to interfere with and slow up our war effort, that is their affair; but it is time the people of this country knew it. It is time the people of this country knew that my hon. friends opposite put steel and coal and lumber before human life.

Some hon. MEMBERS: Oh, oh.

Mr. MacINNIS: All right; you asked for and you got it. Now find your way out of it.

I want to say a few words in regard to the possibilities of the production of steel. In 1937, I think it was, the government of British Columbia made a sale or lease of an ore mine to a Japanese syndicate. I think it was on one of the Queen Charlotte islands. The last I heard of it was that this syndicate was running a railroad from tide water to the mine. I do not know whether any development work has been carried out, but if the minister's department has not investigated the matter this would be a good time to do so, because I believe there are possibilities for a steel industry in the province of British Columbia.

An item appeared in the *News Herald* of Vancouver, of January 28, 1942, reporting Doctor J. F. Falker, deputy minister of mines for British Columbia, as follows:

> Certain eastern interests oppose establishment of a steel smelter here, but several others are definitely interested. We could be rolling steel from scrap within 15 months in a coast plant, and within two years we could be producing from B.C. pig iron. The industry could be established for $20,000,000. No. 4 seam at Comox produces coal which would provide adequate coke, and there is lots of lime at Texada and elsewhere. A British Columbia steel industry could be established in time to be of definite aid in the war effort and would be of great value in post-war reconstruction, serving as far east as Alberta and western Saskatchewan.

I suggest to the minister that if his department has not already looked into this matter it is well worth investigating. My opinion is that some development work has already been done there.

I want to say a word or two about the slowing down of industry, caused not by the workers going on strike but by employers simply closing their plants. On my way east I stopped off at Winnipeg. I met a young man who was working in one of the aircraft plants there, Macdonald Bros. Aircraft Limited. He told me that that plant had been closed down from 3.30 p.m. on April 2 until 3.30 p.m. on April 5, and that some parts of the plant did not reopen until April 6. I was interested, because when I was on the coast there was a dispute over overtime in the shipyards at Vancouver and the press was strongly condemning the workers for the shut-down on Good Friday. Inquiring into the reasons for the shut-down at Macdonald Bros. Aircraft Limited I found in the Winnipeg *Tribune* that the president of the company said that the shut-down over the long week-end was because the plant was ahead of schedule. I cannot understand what "ahead of schedule" means in war time.

Mr. HOWE: Perhaps I might explain. Macdonald Bros. is largely an overhaul plant. I presume they had caught up on their overhauls. It is not a manufacturing plant.

Mr. MacINNIS: It does not say here. As a matter of fact the person who was talking to me said that there was plenty of work to be done there. According to the Winnipeg *Tribune,* Mr. Macdonald went on to say that some employees had been working seven days a week and needed a rest. I do not believe, Mr. Chairman, that you can get the best results by working employees seven days a week for more than a couple of weeks at the most, because a person needs a day of rest to recuperate after five or six days' work.

As I said before, I am not bringing these matters up particularly by way of criticism of the minister, but because they are matters which this committee and parliament must heed if we are to get a full-out war effort this year.

Mr. POTTIER: I think it is generally realized that we are facing a very perilous situation in regard to rubber and gasoline. Hon. members will, I am sure, agree with me that we have seen the shadows approaching of what is going to take place in the very near future. We have seen our gasoline supplies dwindling, then a rationing system established, and we are faced to-day with a cut in the unit value. More than that, we see that in different parts of Canada there is to be a further cut for one reason or another. Every day we read in the newspapers of some new regulation to take care of the growing shortage of rubber. We also learn from the press that the people of the United States are taking a very serious view of what is happening and are afraid of what is going to happen. I read in the New York *Times* last week that one of the members of a committee of the United States senate made the following statement in regard to the tire situation:

> One year from to-day there will be no rubber available for general civilian use, and those in essential civilian pursuits will have to take what they can get.

I think that accurately reflects our Canadian rubber situation. Here we have in this country some 1,300,000 to 1,400,000 automobiles, each with four tires weighing anywhere from twelve to twenty pounds. Each tire has a substantial portion of reclaimable rubber. Yet every day over our highways, here there and everywhere, this rubber of which we are short, perhaps not acutely short at the moment but of which in the future we will be acutely short, is being burnt up by motor cars speeding along at rates even above the government regulation of forty miles an hour—and for what purpose? For pleasure and other non-essential purposes. And that is being done in the face of the best information we can get that we have no further supply of rubber to draw upon. Some people may say "Oh, but what about synthetic rubber? That is coming." I am afraid that too many people are looking to substitute for rubber. Let us see what the possibilities are. I quote again from the evidence given before the United States senate committee only last week—and I take this to apply to our situation in Canada:

> Those motorists who look hopefully to the operation of synthetic rubber plants to supply them with tires later, Senator Reynolds said, were simply indulging in wishful thinking. All rubber for the United States, as well as every pound that could be made available, he asserted, must go to the army.

I am afraid that that is our position here; yet we are burning some of this rubber for purposes that have nothing to do with our war effort. It may be said, "You are just burning some of it; you are just using a small proportion of it—the outer thread." I realize that, and I have discussed it with officials. But notwithstanding that fact, we are using some, and in fact we are using a substantial quantity of it. Then, further, the older a tire gets and the more it is worn, the less value there will be in the rubber one gets from that tire. When we take all this into consideration it seems to me we are facing a perilous situation, and one we have to be prepared to meet, not only in shadow but in fact.

Coupled with that is the gasoline situation. With respect to automobiles generally, what do we find? At the outset I referred to

changes made from one month to the other, if not indeed from one day to the other. There is restriction and cutting down as time goes by. Why? Because the supply is getting shorter and the situation is growing more serious.

Let us understand what the men who bring in gasoline by tankers have to go through. Let us realize the hazards they have to face in order to bring gasoline to people who travel the roads for no purpose other than their own entertainment. I have heard of a letter from a man on a tanker travelling along the Atlantic coast, in which he said: "We followed the coast night after night, and we could see automobiles going back and forth, and their lights travelled while we, in the tankers, were risking our lives just because it was thought that we should keep them on the move." This particular tanker was torpedoed; some of the members of the crew were lost, and the survivors had a most distressing time.

I do not think a gallon of gasoline which might be used for pleasure or for non-essential purposes should be brought by tanker. I urge upon the minister and the government that they give this matter serious consideration with a view to bringing about a change in that regard. Let us see what the benefits would be. To begin with, it would save money which could be diverted into war loans and used to defray our war expenditures—money which is now used for no useful purpose at all. We would save space for railway transportation by making railway facilities available for the carrying of munitions and the like. We would save the loss of tankers and thereby cut down our shipping losses. We would eliminate the necessity for some of our naval patrol, which could then attend to other spheres of battle. We would have more gasoline for our own military purposes—for the army, the navy and the air force. We would have more rubber, and that surplus rubber could be taken to supply our armed forces. In addition we would save a certain number of lives hazarded by bringing this oil, gasoline and other supplies to Canada.

Taking all these points into consideration I say the time has come when the Canadian people, who have been living in what I believe can be truly said to be the best country in the world, having in mind our food supplies and our liberty of movement and action, are prepared to do away with private cars for pleasure or non-essential purposes. A few selfish ones might criticize, but this is not a time when we can think of selfishness, or when selfishness can be tolerated or listened to. If we lose this war—and I do not mean that we are going to; I do not think we are; in fact I am convinced we are not—what would be the value of motor cars and the like? Let us throw them on the altar of sacrifice, and be prepared now—not wait for a year—to adopt a policy under which all pleasure and non-essential driving shall be done away with.

[Mr. Pottier.]

Mr. FRASER (Peterborough West): The hon. member for Vancouver East (Mr. MacInnis) mentioned the great need for steel and the shortage of it. The minister knows about that shortage, and that is why we are asked to take part in salvage campaigns to collect steel, iron and scrap. Is it true that anyone wishing to erect a building in which steel is used must have a permit?

Mr. HOWE: Over $5,000.

Mr. FRASER (Peterborough West): If that is so, would it be possible for a firm, say in Toronto, to ship steel beams to some other plant, and have them cut there to specifications and sent to a building which had not a permit?

Mr. HOWE: No.

Mr. FRASER (Peterborough West): That would not be possible?

Mr. HOWE: No.

Mr. FRASER (Peterborough West): That was what I believed the situation to be. May I point out that on May 13, 1942, the following question was answered in the house:

1. Has the priorities branch of the Department of Munitions and Supply issued permits for steel to be used in the construction of a building or a house for J. Franceschini, recently released from internment?

2. If so, how much steel has been allotted to this building?

The answer to No. 1 was "no", and No. 2 was said to be answered by the answer to No. 1. I now have information to the effect that Francheschini had steel beams shipped from his plant, or from the plant in which he is interested in Forest Hill village, to the Dominion Bridge company at Lachine, and that there this steel was cut and bored to specifications for a garage in the Laurentians mountains for Franceschini, a man who has been interned—and many people believe he should still be there. I suggest the minister should investigate the matter and see if there is any truth in the suggestion. There have been many reports to this effect. I have received telephone messages and other communications.

Mr. HOWE: Where in the Laurentians is this mysterious house? I have read a newspaper article about it, and had our people trace it down, but we can find absolutely no indication that Mr. Franceschini is building a house anywhere in the Laurentians. Has the hon. member the address of the house?

Mr. FRASER (Peterborough West): I have it in my room.

Mr. HOWE: I wish the hon. member would give it to me.

Mr. FRASER (Peterborough West): It is down by Lucerne.

Mr. HOWE: We will look into it.

Mr. FRASER (Peterborough West): I understand it is a very large place. I should also like to know if his firm has been given two contracts in the last week or so for airport construction.

Mr. HOWE: What firm?

Mr. FRASER (Peterborough West): The firm with which Franceschini is connected, the Dufferin Construction company.

Mr. HOWE: The Dufferin Construction company, to us, is just like any other construction company. I believe Mr. Franceschini has a stock interest in it. At one time he was general manager of the firm, but he no longer holds that position. A good many Canadian citizens also have a stock interest and a bond interest in Dufferin. We use Dufferin Construction company just as we use any other construction company. We use it to the limit of its equipment. I have no knowledge of their having had a contract in the last two months, but I know of no reason why they should not if they were the low bidder. If their equipment was desired, I have no doubt we used it.

Mr. ROSS (St. Paul's): First of all I want to congratulate the minister and the manufacturers and men of this country upon the work they are doing. The minister is held responsible for the size and scope of our production effort. At times he is praised, and sometimes he deserves it; at times he is criticized severely, and quite often he deserves that. Sometimes the manufacturers are blamed, but so far as the minister is concerned, in my opinion a good deal of the criticism he receives is deserved, because he has too much to do.

Just think of all the minister has upon his shoulders—and then he has added to them questions such as this Franceschini matter. What is his job? I am going to say a few words about that. He is purchasing agent for the army, the navy and the air force. He arranges the production of weapons and military equipment. He is the purchasing agent for Great Britain, Australia, New Zealand, India and the United States. He is the sales manager for Canadian production in the United States. He has done a good job in selling goods over there, which has helped to maintain our dollar balance. What is the sum of our production to-day? It is just the orders placed by our forces and by the allied governments.

What more does the minister do? He supervises the wartime industries control board, which includes twelve controllers who try to ensure that materials and services shall be forthcoming. He supervises the consumption of materials, and prohibits consumption when materials are scarce or essential for war demands. Every order of a controller involving the imposition of a production quota must have his signature. He supervises the administrative machinery of the wartime prices and trade board and the priorities branch. He has virtual charge of all harbours and shipping. One has only to glance at the chart which he placed on *Hansard* of February 26, 1941, at page 1042, in order to appreciate the magnitude of the job he had then, his duties have since been considerably increased.

He has told us about the magnitude of our war production, which totals in the neighbourhood of $4,000,000,000—a very creditable performance. All this production must be carefully supervised. Have we wasted any money where waste could have been avoided? I know that economy and speed do not go together in war time, but has there been reasonable economy? Has there been extravagance only when speed was essential?—and we know how necessary speed is to-day. Could we have done more if the minister had had other ministerial assistance? Could our planning have been better? I think so. We used to make comparisons between the production in this war and the production in the last war, but really no comparison can be made.

The minister has another task, the mobilization of Canada's full productive capacity for the manufacture of munitions and so on. He still exercises control over the licensing of radios. I believe he has never calculated, certainly so far as this house is concerned, the present output in terms of what could be done. Have we reached our capacity? If not, when will we reach it? The minister said on May 14, as reported on page 2441 of *Hansard:*

> I may add that Canada is, of course, producing munitions far in excess of the requirements of our own troops or the requirements for the defence of Canada.

But on page 2055 of *Hansard*, the Minister of National Defence (Mr. Ralston) is reported as saying:

We cannot issue complete sets of the most modern weapons to the basic training centres.

In effect the minister said that we have not sufficient armaments, not sufficient anti-aircraft guns, coast defence guns, and so on. Is that producing munitions in excess of our requirements? Have we reached our limit? The minister says we are expanding as fast as possible; but are we? Who is doing the planning? The minister has said this sort of thing before. In 1940 he told the hon. member for Parkdale (Mr. Bruce) that we could not make tanks and that we could not roll armour plate more than an inch and a half in thickness, I think it was. But we can now and we could then. He told the hon. member for Vancouver South (Mr. Green) and others that we could make only a few ships, that shipbuilding was a peace-time job. What are we doing now? We are doing it, and I congratulate him upon what he has done. Can we do more? He ridiculed the idea of wooden ships. Necessity is the mother of invention, and we are making them at the present time. Are there other things we can do?

There is the question of oil production. Of course we did not appreciate the fact that we would be short of oil because of torpedoings on the Atlantic coast, but that danger was always there. There are the tar sands of Alberta, and hon. members from the maritimes have been talking about producing oil down there. It seems to me that something should have been done about this before now. I do not want to detract from any of the accomplishments; they have been most creditable, but some of them have been just a little bit late. The answer is that the minister has too much on his shoulders. He has much too much work to do. He is the government liaison officer. He is a member of the war committee of the cabinet. He is on the committee on scientific and industrial resources, the business committee of the government, and the treasury board. All these are very important duties. I might remark in passing that had it not been for the pressure which was exercised by the opposition in this house with respect to a number of these activities, I doubt whether our productive war effort would be what it is to-day. In these matters we have always tried to be constructive.

That the minister is a general executive minister and policy maker and cabinet liaison officer is a big enough job in itself. He cannot do all that is required of him. I know that he is a pretty big man; he has a pretty big ego as well and thinks he can do these jobs. He has complained two or three times of being attacked, but as I have said before, it is his own fault. He has said that his health is perfectly good, that he is the one to worry about that Well, all of us are worrying about the minister's health. Remember that the country is worrying as well, and that is where the attacks are coming from; because he said in the first place that certain things could not be done, whereas they have been done. He just has too many things to do.

Mr. McNIVEN: And he did them.

Mr. ROSS (St. Paul's): He has done some of them. I am giving him credit for the things he has done. Also I am criticizing him for things which I will not particularize—some of them have been mentioned to-day—which either have not been done, or have not been done soon enough.

He has never calculated the present output in terms of what could be done. He has never declared whether we have reached the limit of our capacity. The productive problem has not been tackled from the point of view of all-out production As demands come in, the minister fills them, whether they be for the army, the air force, Great Britain, or some place else; he is the purchasing agent. But there needs to be more than that. There needs to be force behind the mobilization of production in this country Moments are precious, and regardless of orders, we have to make every gun, every tank, every aeroplane that we can produce, and accelerate our production to its maximum.

Mr. McNIVEN: Did the hon. member read last week's *Maclean's* magazine?

Mr. ROSS (St. Paul's): Yes, I read last week's *Maclean's* magazine. It is a very creditable showing.

Mr. HOWE: The hon. member did not believe it, I suppose.

Mr. ROSS (St. Paul's): Will the hon. member tell us that that is all we can do? The job has never been tackled in terms of all that we can do. It is always dealt with in terms of what we have done; and the point is, when shall we know what our capacity is?

A great deal of the executive work which falls to the minister should be taken off his shoulders. He should be free to mobilize and plan and develop industry. He is the only executive officer engaged in this vast programme who is responsible to parliament. We took certain duties from some of the other

ministers because we thought they had too much to do, and gave them to the Minister of National War Services. There is a precedent; why should not the Minister of Munitions and Supply be relieved of some of his present duties? There should be another minister engaged in this work, responsible to parliament. He might be assigned to take charge of supply. I would not venture to suggest to the committee, because I do not know enough about it, just how the work should be redistributed, but I am sure that this should be done, because the public know that the present minister has too much to do.

Mr. BLAIR: Mr. Chairman, I do not rise to criticize the minister; I rise to congratulate him upon his wonderful power of endurance. I do not see the necessity of our sitting here and listening to all the nonsense which we have been hearing too long already. In my opinion a party which has denounced for years all war expenditure and every preparation for war, which has declared that not a single man or a solitary dollar should be devoted to the defence of the British empire, and made other statements of the same kind, should rise now to proclaim the entire inefficiency of the war effort of the Canadian people.

Mr. MacNICOL: To what party does the hon. member refer?

Mr. BLAIR: Nor do I think that the Tories of Toronto should send up written speeches to be read in this chamber. We are sick and tired of this kind of thing. I say, if you want to say something get up and say it and don't be reading your speeches. The ruling was given a while ago that speeches should not be read, but the practice still goes on.

Most hon. members are in sympathy with the government. I appreciated the remarks of the hon. member for St. Paul's (Mr. Ross) in which he expressed sympathy for the Minister of Munitions and Supply. He suggested that the minister should be given time and opportunity to do his work. What time is left to him when he has to sit here day after day listening to speeches? Do you think, Mr. Chairman, that he is helped by the talk which we have had during the last three or four days? It is utter nonsense. I think too that some consideration should be given by the speakers to other hon. members who are busy men, men with their own work to do at home, men employed outside this house in many and various ways. Have we to sit here listening to all these foolish speeches at this critical time of war, when all of us are needed in our homes and in our own districts to carry on with the work of this country? Are we to be held here day after day by such nonsensical speeches as we have been listening to?

I do not wish to criticize exclusively hon. members on the opposition side. There is a section of our own party of which we are heartily ashamed; I wish some of them were here so that I could not be accused of talking about them behind their backs. I admit that they are a nuisance; they are a fly in the ointment.

The CHAIRMAN: I am afraid that a remark of that kind may be offensive to hon. members, and I would ask the hon. member to refrain from such expressions.

Mr. BLAIR: I take no offence, nor would I give it. I am expressing an honest opinion. I hope that we shall have no more of this blathering—that may not be a parliamentary word but it expresses my idea. A man can say what he has to say in one-quarter of the time which has been spent in this debate. Why indulge in all this circumlocution and then tell the minister that he should take more time to prepare his work? What time remains to him after he has had to sit here day after day listening to this nonsense?

I do not like to criticize; maybe I am out of order, but I suggest that a resolution should be passed to the effect that no hon. member shall be permitted to speak a second time in the same debate. I am not blaming one party more than another. There are those of my own party who have risen a second and a third time and delivered themselves of long speeches when they had no business to do so. The bane of democracy is too much nonsensical talk. It would be well if there were some restriction, so that others would have a little more freedom. There has been a great deal of pointless talk from all parts of the house. I trust that the minister will soon be free to carry on his work and get on with the war instead of listening to so much nonsense.

The CHAIRMAN: I do not believe that it is in order for the hon. member to say that speeches by other hon. members are nonsensical.

Mr. BLAIR: I will withdraw that statement, and say that if there is any sense in them I cannot see it. Maybe I am a little dense, but I could not see anything sensible in the remarks of a lot of the speakers. They are appealing to the minister to get on with his work and at the same time they are detaining him with speeches that have no value.

Mr. GILLIS: At the risk of offending the hon. member for Wellington North (Mr. Blair), I wish to make one or two observations with regard to an interjection by the hon.

member for Wood Mountain (Mr. Donnelly) when the hon. member for Vancouver East (Mr. MacInnis) was discussing the necessity for a greater mobilization and organization of the country's industrial capacity. I make this comment now for the reason that when any member in this house or anyone outside the house seeks to drive a wedge between the armed forces and the industrial workers, such person, in my opinion, comes directly under the defence of Canada regulations wherein it is stated that such an offence shall be punishable by internment—any offence that causes disaffection in his majesty's forces. When a member begins making comparisons between the rates of pay received by soldiers and the rates of pay received by the industrial workers, and makes such comparisons in the way in which they have been made, that sort of thing creates friction, dissension and a great deal of misunderstanding. What prompts me to make this statement now is the observation of the hon. member for Wood Mountain in comparing the rates paid to miners with those received by the armed forces, and he takes the low rate of $1.30 a day paid to soldiers. I know a little about both the army and the miners and their rates of pay. I drew the lowest rate of pay in the army and did the dirtiest jobs that could be done there, both behind the lines and at the front. I have also been a miner. I wish, therefore, to make this brief observation, that when an hon. member makes the bald statement that the soldier is working for $1.30 a day while the miner is paid $7 or $10 a day, such a statement is absolutely misleading and not in accordance with the facts, and it is time somebody clarified it in the interests of the general public. The miner's basic rate in the industry in Nova Scotia is $3.70 a day, and in order to get that $3.70 he has to crawl out of bed at five o'clock in the morning. To earn $22 a week he has to work six days a week, and to earn $1,154.40 a year he has to work six days a week every week of the year. That is the basic, the low rate paid in the industry. According to a table put on the record by the Minister of National Defence (Mr. Ralston) on April 28, the rate to which reference was made by the hon. member for Wood Mountain is set out, and if one takes the $1.30 a day allowances and so on, in a year the soldier earns $1,547.50 with allowances for two children. That is the lowest amount paid in the army, if one takes allowances into account. I know of no industrial worker who is working on a datal rate who earns that amount of money.

Mr. HOWE: Oh.

Mr. GILLIS: There is no "oh" about it. Anywhere it will be found that on piece work they are paid more than that. I am talking, however, about the lowest rate paid, the basic datal rate, and an examination of the earnings of industrial workers prior to the outbreak of the war will show that the average was somewhat under $1,000 a year.

An hon. MEMBER: Away below that.

Mr. GILLIS: It was under $1,000. I am speaking from memory and it is some time since I saw the figures. I am not suggesting that the soldier is paid enough; I certainly know that his dependents are not getting what they should. But as I have heard the matter discussed in this house, I know that it is driving a wedge between the armed forces and those who have to produce to keep the forces in the field, without which production they are absolutely helpless.

Mr. HOWE: I do not like to doubt my hon. friend. I am the one who said "oh," because I did not understand what he said. He said that no man working for wages was getting as much as $1,500.

Mr. GILLIS: I am speaking of the fixed, datal rate. Where a man gets so much an hour and works sixteen hours a day the wages run up. Take the miner who cuts, shoots and loads the coal and who is paid on the basis of 69 cents a ton in Nova Scotia, which is the lowest rate paid for cutting, shooting and loading coal. Forty per cent of the men employed in the mining industry do this kind of work.

Mr. HOWE: The ordinary shipyard worker gets 75 cents an hour.

Mr. GILLIS: He is paid by the hour.

Mr. MacINNIS: What is an ordinary shipyard worker?

Mr. HOWE: Shipyard mechanics.

Mr. MacINNIS: They are not ordinary shipyard workers.

Mr. HOWE: Who is the ordinary shipyard worker—the boy who carries the water?

Mr. GILLIS: They are to be found in shipyards working for as low as $3.50 a day. That is a fixed, datal rate. The man who says that the soldier works for $1.30 a day and leaves it at that is making an incorrect statement, a statement which is misleading as far as the public is concerned, and it only tends to build up resentment in the minds of the boys in the army against the fellows who have to do the producing. As I said before, I have done both, and if I had my choice to-morrow of going back to a coal mine or putting on the uniform and crossing the Atlantic ocean I would go over the ocean. I

have no illusions about it. There is no one else on the face of the globe who earns his money the way a coal miner earns his or who takes more chances with his life, and he is getting very little for it. The average person in central Canada imagines that because he pays $15 a ton for his coal the miner gets the money. The miner gets 69 cents a ton for cutting, shooting, blasting and mining the coal, 1,000 feet underground and five miles under the Atlantic, and he lasts about ten years at that work. If the boy in the army is shot up he gets a pension. When the coal miner is through he goes on relief. There are as many industrial cripples across the country as there have been war cripples in the last twenty-five or thirty years, and the former get very little compensation for it, except in the relief lines. They are the forgotten men, too young for old age pensions, too old to earn a living, just relegated to the scrap heap. But that is not what I rose to say. I was prompted to make these remarks because I have listened to that kind of talk bandied across the floor from time to time, and it is not good for either the army or the industrial worker. My intention in raising the question at this time is to bring it briefly to the minister's attention in order that he may perhaps avoid some of the mistakes made in the past. I think it is the job of a member of parliament to bring such matters to the attention of the minister. It is not done for the purpose of criticizing. I appreciate the minister's work and the job he is doing.

The first matter I should like to stress is that raised by the hon. member for Inverness-Richmond (Mr. McGarry), with respect to the development in that area of a deposit of magnetic iron ore by a man named McMillan. There are several reasons why I think the minister should take hold of that and find out whether there is sufficient iron ore there to be worthy of consideration. The main reason is that we need the material. Second, that particular section of Nova Scotia for the past twenty years has taken the greatest economic beating of any section of Canada. There is nothing in that whole county except a worn-out broken-down coal mine operated by the provincial government on a relief basis; they pay the lowest rate of wages on the north American continent, and the mine just staggers along giving the people depending on it a bite to eat.

Mr. MacNICOL: The provincial government pays the lowest wages?

Mr. GILLIS: It is more or less a relief matter.

Mr. MacNICOL: They should not be allowed to do that.

Mr. GILLIS: The Minister of Finance (Mr. Ilsley) a few days ago announced certain tax concessions to prospectors to give men an incentive to go out and seek metals and minerals necessary to our war effort. This man has discovered what he believes is a deposit of iron ore in sufficient quantity to guarantee operation. According to my information he has spent some $1,200 in probing it. According to a letter I have from him, he is prepared to go ahead and produce up to 1,000 tons a day. I understand he is now in this position: he is not financially able to go ahead and develop the project. According to his lease the property must be worked a certain number of days per year in order that the lease may be held. He has had engineers from the Dominion Coal company carrying on boring operations there for some time. I understand this is crown land. Just a few days ago he was notified that the coal company are pulling out and not carrying on any more work there, which means that he is not going to be able to put in the required working time to hold the lease. He is of opinion that the Dominion Steel and Coal company are ready to step in and take it themselves. This individual is well qualified, according to his credentials; he knows metal mining, having been an official in metal mines in the United States and in western and central Canada. If there is ore there in sufficient quantity to mean something and if it is on crown land and he needs a little financing to put it into production, I see no reason why the minister should not go ahead and at least investigate the situation. If we can advance money to industries, some of which are very well off, in order to expand their plants, I cannot see any reason why the same thing should not be done in this case where it would serve the purpose of opening an industry in a section that is in absolute need and of assisting a man who has proven himself a responsible citizen and is doing something for his country to the extent of spending some $1,200 to $1,400 on the project. In addition, he would be producing materials that Canada needs badly. It is a matter that the minister should consider from every angle.

Mr. HOWE: I shall be glad to get a report on it.

Mr. GILLIS: Another thing I should like to bring to the minister's attention is the letting of contracts. I obtained a return in relation to the Sydney airport. The estimated cost of erection of the buildings was about half the

final cost. There was a great deal of controversy about the matter in that end of the country, but the situation was not as bad as reported. There is, however, something wrong with the engineers who estimated the job, or there was a great deal of waste in the construction. The estimate of the engineers was that the cost of the buildings would be about $445,178. The final figures are not yet available, but to date the cost is double the original estimate, and the buildings are not yet completed.

The reason why I mention that again is that I think there is a system on the part of the contractors, recognizing that these things are not too closely checked, that when government engineers estimate that a project should cost, say $100,000, one contractor puts in a bid of $96,000, another $92,000, the lowest tenderer gets it, and I am safe in saying that on the basis of this airport return, when the project is completed it will probably cost twice the amount of the lowest tender. I think they are deliberately underbidding because they know that the precedent has been set; that they are not too closely checked and that they can throw in another building here and there and make money out of the job. I know the minister's department is very competent. I know he has not the time himself to scrutinize all these matters with the care required. I am in hopes that the recently appointed committee on war expenditures will pay strict attention to the manner of letting contracts, because from evidence we have had from time to time I am reasonably sure that things are not as they should be. I am not blaming the minister for that. There is no individual who could check that matter as closely as it should be checked.

The next matter I wish to bring to his attention is wartime housing. I am not going into it from the national aspect, but I shall refer briefly to the housing situation in Sydney. As I have pointed out from time to time I think the Dominion Steel and Coal corporation are practically running the province of Nova Scotia. In a return I had of correspondence that passed between the city of Sydney and the department on the question of wartime housing I know the situation is bad. Anyone residing in that city knows it. Perhaps 1,000 additional men have gone to the steel plant. In addition, the plate mill, when going at capacity, will employ 400 to 600 men. Many public works projects have been undertaken in that area. There is a big one now in progress at Point Edward just across the harbour. There are thousands of men in the city and area that were not there when the war broke out. I notice in this correspondence between the city of Sydney and the Department of Munitions and Supply that the city had no say with the representative who was sent there to make a probe. He spent twenty-four hours in the city, and I think he spent twenty-three of those hours with Dominion Steel and Coal corporation officials. The officials of the city of Sydney were ignored absolutely. According to this return the whole report is based on the fact that this man was advised by the officials of the Dominion Steel and Coal corporation that wartime housing was not necessary, that there was no importation of labour, that practically everyone employed in the war industries there was taken from local labour. That is not true. I know that from Inverness county, Richmond county and other parts of Nova Scotia and other parts of the country, many men have come into the city to work in war industries, aggravating the housing situation. There are also thousands of merchant seamen in the port, and there is also a large airport. Airmen from all over Canada are coming there with their wives, and hunting all over for a place where they can stay.

The report states: "We are not responsible for the influx of people belonging to the army, navy" and so forth. Technically they may not be, but certainly it should be someone's responsibility to provide homes for those in the armed forces. Those employed in industry are very likely going to stay there and they have an incentive to build their own homes, but the men in the armed forces are not going to build homes for themselves, and accordingly they rent. There is no control over the renting of rooms, and prices are terrible. There are wholesale evictions in that city. I suggest that in future when a representative of wartime housing is sent to make an examination of the requirements of a city he should secure his information from those who are responsible for the civic administration. Dominion Steel and Coal corporation are not affected by these wholesale evictions, but the mayor and council are, and they are badly affected at the present time. I may be suspicious, but at all events I am of opinion that the company wish to have a clear field for themselves, because they are in the housing game. They have thousands of houses—

An hon. MEMBER: Shacks.

Mr. GILLIS: Yes; they are not houses, but the company are getting rents and profits from them, and are endeavouring to keep the field clear for themselves.

There is another point I wish to make in that connection. Apart from the fact that the houses put up by wartime housing are a waste of money, they are not constructed properly and will be torn down after the war. They will not stand longer than ten years. If wartime housing is a project to enable those employed in industry to have a house fit to live in, the houses should be constructed properly, and furthermore $26 and $30 a month rent is too much to ask a working man to pay because the great majority of them cannot afford to pay that much. If the government is going to put up simply shacks for the duration of the war, it might as well put up tents, and then there would not be so much money wasted, as there will be when these houses are torn down after the war. I am really ashamed of that project. I have been in some of these houses in Halifax and Dartmouth, and if the minister happens to visit the island of Cape Breton I should like him to look at the homes that are being built there under a cooperative plan for around $1,800. They have complete radiation, six rooms, and they are being built by the people themselves in groups. If the average contractor were to erect a house of that kind, he would ask not less than $6,000, but the people who are putting up these houses cooperatively are doing the job themselves for $1,800. There are five groups building their own little village on that basis. If the minister will then look at the houses in this wartime housing project, he will see the difference, and I think he will get that cooperative group, instead of Wartime Housing, to put up the houses in future. Wartime housing is, in my opinion, an absolute waste of money.

I have read many documents and listened to many speeches since the outbreak of war, and I have heard economists on the radio and in committees making speeches, all stressing the fact that if we are going to build for the future, any housing project undertaken now should be related to our peacetime economy, with a view to the houses being used after the war. Just the opposite is true of wartime housing. I was very much encouraged to sit on the rehabilitation and reconstruction committee. I think the government has chosen excellent men who are writing excellent reports, but what is actually being done does not dovetail with those reports at all.

Another matter I would bring to the minister's attention is the need for a greater utilization of our resources. There are deposits of dolomite at New Campbellton in Nova Scotia on the Cape Breton island end. I have here quite an article about it which appeared in the Halifax *Herald*. Evidently there was some work going on there; at one time the government were interested in it, and it was expected that an industry would be established there and that dolomite could be used for machine tools and so forth. But our government apparently lost interest in it. Then some United States firm became interested in it, but later dropped out. If the minister does not know anything about this matter, I shall be glad to send him this clipping. I do not want to read it because it is lengthy. The matter is important, however, and some people are very much disappointed that the development is not being gone ahead with.

To turn to another matter, officers in the army certainly seem to require some very elaborate furnishings. Recently in Halifax I was handed a duplicate invoice from the T. Eaton Company Limited for the fitting up of officers' quarters and, according to this, there are rugs on the floor costing as high as $195 apiece.

Mr. HOWE: Who is paying for them?

Mr. GILLIS: The Department of Munitions and Supply. I will give the minister this invoice.

Mr. HOWE: The officers furnish their own mess.

Mr. GILLIS: This invoice bills the Department of Munitions and Supply, and I see that one rug costs $195; another, $130.50; another, $214.75, and another, $130. The total bill is $746.25 for rugs.

Mr. HOWE: Will the hon. member send the invoice over to me, please?

Mr. GILLIS: Yes. I do not know whether this expenditure can be justified, but it certainly seems exorbitant to me.

Mr. HOWE: I should like to see the bill.

Mr. GILLIS: I will send it over to the minister and he might check up on it.

I do not want to occupy any more time, but I felt I had to make these few observations. I realize that no minister is able to keep track of all these matters himself, and when some members rise in their places and deprecate the fact that other members take up the time of the house, I say that there is not enough time for members to take up provided that they utilize it in the proper way. There are 245 members of this house. My opinion is that each one of them is responsible for a certain section of the country, and it is his job to do a job for that section. If there is anything that is not right, it is the member's job to assist the minister in correcting what is wrong. I think each

and every member, if he does his job conscientiously, can be the greatest asset any minister or government can have through the cooperation members can give in making constructive suggestions—not merely criticizing for political purposes.

This afternoon the hon. member for Vancouver East (Mr. MacInnis) drew attention to a memorandum on steel put out by the steel workers' organizing committee. I suggest that every hon. member should read it, because I understand all have it. It would be interesting to some of our hon. friends who from time to time make the statement that the C.I.O. is a sabotaging organization, or something of that sort. The committee to which I refer took the trouble to send their national director across the country to every steel plant in order to meet the employees of those steel plants. I happened to have the privilege of sitting in with them at Sydney, when the memorandum was being prepared. The men in the plant, through the medium of their unions, or through whatever medium he could reach them, have attempted to find out if ways and means could be devised to meet the steel situation. They know much better than we do that there is a shortage, and that it is going to continue. I saw the director sit in with these union committees, and organize production committees of men in the plants, to devise ways and means on the job of improving the situation.

I should like to draw attention to the significance of scrap material. They point out very definitely in their memorandum that to the average man scrap is just junk, and serves no useful purpose. In the last analysis, however, it is found that it is one of the most important war materials we shall have to get. They point out that in 1939 Canada's foundries and furnaces used 1,293,877 tons of scrap and that in 1940 they used 1,819,162 tons. To put it even more strikingly, 65·8 per cent of the materials which went into the foundries in 1940 was scrap, and of all the ingredients used in the steel furnaces during the year 55 per cent was scrap. Thus the proper collection and distribution of available scrap becomes of vital importance to our war effort.

I do not wish to read all the memorandum, because it would take too much time. I would point out, however, that they make definite recommendations with respect to the organization of committees to gather scrap, and to see that it is placed in the hands of those who need it. They indicate one very pertinent fact, that one plant—it is located in Nova Scotia—has two years supply of scrap material ahead, while another plant has only seven weeks supply. They recommend that some organization be set up to distribute that scrap material to those sections where it is essential, and where there is a shortage of it. There is no reason why one plant should have a two years supply, and another plant a supply which would last only seven weeks. The plant with only the seven weeks supply will either close down or be put on short time. Amherst is an example of that. It has been closed for some time, although it may be operating to-day; I am not sure. It was, however, closed down for the want of scrap material, despite the fact that another plant has a supply sufficient for two years. Amherst should have had some of that scrap.

There is no doubt that large quantities of scrap across the country are not being salvaged. There are thousands of tons of steel rails in the different cities of Canada. The cost of reclaiming this might be a little high, but it could be salvaged. I know that around coal mines in Nova Scotia there are thousands and thousands of tons of scrap, which is not being salvaged at all. In fact, in the mines there are thousands of tons which could be taken out and used. I have in mind one mine which has been closed up and, as far as I know, has not been used for some time. I know of an old mine in Inverness county, the Mabou mine, which was operated thirty years ago, and in which there are a couple of miles of rails. Someone by the name of Stewart in New Glasgow has an option on that mine. He is not doing anything with those rails, and he has refused to allow anybody to lift them. It seems to me that they are still there; at least they were there last summer, because I was there and saw them.

In view of the necessity for raw material and for scrap to-day, nothing like that should stand in our way. If scrap is needed, then the fact that someone holds a piece of paper written in 1895, or some such time, giving him an equity in those rails, is no reason why that paper should hold good. That material belongs to the country; it is necessary and it should be taken. However, I shall not say any more about that, because the minister has the report.

There are many recommendations made in the report of that organization. They are practical recommendations and, if applied, will solve the scrap and other problems. I should hope that they would be considered by those who are directing the war effort. The steel

workers' organizing committee ought to be commended for the time they took and the money they spent in bringing that material together. I know for a fact that the director travelled across the country.

I now come to the rationing of gasoline in the maritime provinces. I heard the minister's statement, and I realize the necessity for what is being done there. If we cannot get gasoline there, then we shall have to ration what is available. My suggestion to the minister is that all the available gasoline in the maritime provinces should be rationed on the basis that every non-essential car be taken off the road. Seventy-five per cent of the gasoline being used in Canada is, in my opinion, being used only for pleasure driving. Anyone who may be travelling on the roads at two or three or four o'clock in the morning knows that there are thousands of cars travelling back and forth that are certainly not performing a useful service as far as the country is concerned. If war is as serious as people say it is, and as I know it is, then this should be our first consideration. I do not consider it any hardship to walk a mile or two miles to my work. I drove a car for twenty-two years, but I have not taken the wheel of one since war broke out, and I do not intend to.

The basis that I have suggested is the one on which gasoline should be rationed, if there is a shortage. But if we are going to be rough and tough about the matter, then we shall have to be absolutely certain that no favouritism is shown. What about commercial travellers and insurance agents, who are in a special category? A car is not necessary to an insurance agent, any more than it is to me—and probably not as much. Cars are not essential to insurance agents, because their districts are not so very large that they cannot be travelled on foot or by other conveyances. They always did that, until a few years ago. I do not think it is too great a sacrifice to ask of them; it will do them good, and make them healthy.

Mr. HOWE: While they are in a special class, they must show necessity before they get anything better than category A. They may make a case for themselves, but I believe only a small proportion are getting better than category A.

Mr. GILLIS: There are homes in which there are two or three cars in one family, all holding ration books. That is something which should be curtailed. I have received telegrams in protest against the curtailment of gasoline in the maritimes, and I have some understanding of the situation. If the gasoline is not there in sufficient quantities, then we shall have to ration what we have. As I said a moment ago, however, the rationing should be done on a basis of essentiality. One man may want more than two gallons, whereas another man who really does not need his car is wasting gasoline by running it. Until the basis I have suggested is adopted, the government will have trouble. I am sorry to have taken up so much time, but I did want to make these observations.

Mr. MATTHEWS: Mr. Chairman, I had prepared an address which was to have taken the whole forty minutes, but after the remarks of the hon. member for Wellington North (Mr. Blair), I have condensed it from forty minutes to four minutes. I do not intend to make any general remarks because this has been attended to quite well by other speakers, but I do want to bring two or three suggestions to the attention of the minister, and I do not do this in any critical spirit. Notwithstanding any remarks to the contrary, and for the most part they have been given in a fine spirit, I want to congratulate the minister upon the full, frank and exhaustive résumé which he has given of the work of his department. That department started not long ago from scratch, and in a marvellously short time it has built up all across this country an edifice of which the average Canadian citizen is not fully aware. It has done this with a speed and with a degree of stability that is simply astounding to those who study what has been done—600 contracts in a day, 400 planes in a month, 600,000 Canadian citizens working in war-time production. That is the record of which any minister might well be proud. As I said, however, I did not rise to speak in general terms.

A few days ago I received a resolution which I should like to bring to the attention of the minister. This was adopted by the rural municipality of Daly, Manitoba. I think I know all the members of this rural council, and they are not the critical type. They desire to help, and anything they say in this resolution is with that end in view. We keep coming back to this gasoline question, which is a burning question in more respects than one. The resolution reads:

> Whereas farmers are not allowed to buy gasoline by the barrel under the oil ration regulations and in numerous cases must travel many miles to procure same, thereby losing valuable working hours and wasting gas travelling to and from town unnecessarily, therefore the council of the rural municipality of Daly respectfully request the oil controller to allow farmers to buy gasoline by the barrel as heretofore, having the coupons deleted from their ration books, which action would prove a saving on gasoline and allow farmers more time to attend to their farming operations.
>
> Respectfully submitted.

Some of these things may not appear important to many hon. members, but with respect to rural conditions they are of prime

importance. These men are all short-handed for farm labour, which is also an important question. In many instances farmers have to leave their work on the farm, go perhaps two or three miles to their homes, prepare for their trip into town, take a chance when they go out to their cars on having a flat tire because of the poor quality of tires now being used, try to get into town at least half an hour before the closing hour, and then find a congestion of other cars waiting to be served. They would like to be able to buy gasoline by the barrel against their coupons, and I am placing their request before the minister.

There is another matter, one which I think has been raised by other hon. members. I have received a good many letters urging that some change be made in the regulations so that farmers can go in and buy gasoline at least two evenings in the week at an hour later than that prescribed by the regulations. The farmers find they have to lose too much time when they must reach the station before the present closing hour. As I say, they are not making this suggestion in any critical spirit; it is only in an effort to conserve time and gasoline, which is, I think, a most praiseworthy motive.

Another suggestion I have to make is that the department take some steps to see to it that certain service station operators and many of those in other lines of business who have been practically put out of business because of the present regulations should be taken care of in some other line of work. These people have claims upon the public; they have built up their business over a term of years, and some of them are now forced to close their doors. There is other work that most of these men can do to advantage, and I suggest that in any openings which may be available they be not subject to the regulations of the civil service commission. In saying that, I am casting no reflection upon that commission; I have no reason to do so, but I think the tests should be reliability and ability to do the job. Any man who can pass these two tests should get preference.

I was glad to hear the minister say that as far as possible smaller companies, garages and others who have suffered severely because of certain restrictions, will be given every preference possible. I have always been a believer, and I am more so to-day, in the decentralization of industry. I do not think it is a healthy condition for any country to have its industries centralized. I am glad to know that the minister is aware of the advisability of taking care of these smaller institutions as far as is practicable. That is all I have to say.

[Mr. Matthews.]

First, I suggest that our farmers should be put to the least possible inconvenience in filling their gasoline requirements. Second, I suggest that service station operators who are suffering because of the present regulations be given some preference whenever the occasion offers. Third, I suggest that the smaller repair and manufacturing companies in this country be given an advantage wherever possible over the larger centres of industry.

Mr. HOWE: I have a brief statement to make which perhaps I should have made before. A number of hon. members have suggested that provision be made in rural areas to permit gasoline stations to remain open in the evenings for the convenience of farmers. I may say that arrangements have been completed whereby gas stations five miles distant from a city will be authorized to keep open one evening a week. Arrangements can probably be made so that gasoline will be available two or three evenings a week to farmers coming into town.

Mr. FRASER (Peterborough West): Will that be only for farmers?

Mr. HOWE: It will be available to anyone who comes along.

Mr. DOUGLAS (Weyburn): What about purchasing by the barrel?

Mr. HOWE: That cannot be done.

Mr. BLACKMORE: I have listened with a great deal of interest to the discussion with respect to the minister's work and his share of this $2,000,000,000 appropriation. I am not by any means satisfied that our resources are being used to the degree to which they could be used. I am not disposed to find fault with the minister.

I think he attempted a colossal task, a task probably beyond the power of any one human being, and I believe that he has wrestled with it heroically. I may not be deemed, in saying that, a very good opposition member, but I do not see why a man should not have a little credit when he has earned it. At the same time it is well for us to bear in mind that there is in our keeping, perhaps right in this chamber, perhaps in the minister's department, the future of six hundred and fifty million people—the people of the whole British empire and of the United States. If we fail to produce the armoured cars—the tanks, the aeroplanes and the other necessities of war to the degree to which we can produce them, in whatever degree we fall short we shall jeopardize the future of all those free peoples who constitute our friends.

I am not at all satisfied with respect to the gasoline matter. I simply cannot be convinced that everything has been done which could be done to provide this country with gasoline and other fuel. I firmly believe that there are people, organizations, with ulterior motives, deliberately preventing the development of the fuel supply of this country, blocking the efforts of the minister to produce the maximum.

The committee which the minister mentioned, which has been selected from his own department to examine into the possibility of producing oil from the Athabaska sands, should be able to get right to work and produce results, and produce them quickly. This business of dawdling along, waiting until next year, hoping that the war will end before they have to produce oil, is not to be tolerated. That is exactly how I feel about the matter. I do not think the committee is on its job. I do not believe it is producing results. As we say out in the west, "I don't believe it is cutting the mustard." I think it ought to be told to get right to work and make a report soon. I should like to know who these committee people are, and when they are to hand in their report. What is it about the Athabaska tar sands that they do not now know? They have been studying the Athabaska tar sands for many years. Voluminous reports are to be had. What they do not know, it seems to me they could find out very soon if they chose to do so. The minister, in his reply to the hon. member for Davenport (Mr. MacNicol), spoke of a number of problems, but very vaguely. I do not see why those problems could not be detailed to this committee so that we could know exactly what they are. One is likely, of course, to hear rumours that are not entirely correct; nevertheless I do not think that all is well with the Athabaska tar sands situation.

The minister mentioned that he had taken into counsel certain companies and is expecting them to advise him whether it is well to go ahead. Has the minister chosen companies which can be entirely trusted? There are some companies from whom I certainly would not take advice with respect to the development of gasoline in this country. I believe that some of them have ulterior motives—just as we learned the other day is the case with certain companies in the United States. The rumour is prevalent in several parts of Alberta that oil wells were drilled in times past, discovered to be good producers, and deliberately capped and taken out of production. These rumours are persistent. I do not know whether there is any truth in them. Obviously, no member of this house has time to investigate. The minister himself has not time. Would it not help matters if he were to insist that every company which has drilled for oil in Alberta or any other part of Canada should produce a detailed account of every drilling it has made and what was done as a result—to make sure that there has been no sabotage? I have heard, from men whom I would not dare to doubt, that wells are deliberately kept out of production.

There is another matter which gives me some concern. Is the minister afraid that if gasoline were produced from Athabaska tar sands, it would cost a few cents more than we are now paying for gasoline? Let it be clearly understood that if we lose this war, we shall never have any further anxiety about the cost of gasoline in the Athabaska tar sands. The issue to-day is one of winning the war or losing it; the result might easily be determined by the quantity of gasoline we did or did not produce in any one year, and that year might be the one upon which we are entering at the present time.

Has the minister at his disposal all the money he needs? Is he restricted in any respect? If I could be completely satisfied on that score, my mind would be more at rest. Why worry about the cost of the gasoline? Let us ask this question: if one Adolf Hitler had control of the Athabaska tar sands, does anyone believe for a split second that he would be worrying about the cost of producing the gasoline? How much is Hitler paying in the effort to get through to the Caucasus? What does anybody imagine will be the cost of the gasoline when he gets there? Cost is not entering into his consideration; what he wants is to get the gasoline; and that, Mr. Chairman, is what we must have, too.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. BLACKMORE: When the committee rose at six o'clock I had been discussing briefly the question of mobilizing our fuel resources in Canada, and I had expressed serious doubt whether any really earnest measures were being taken to meet the danger of a shortage of fuel. I consider that this government's neglect of our fuel supply is altogether reprehensible. I do not believe that any government can possibly be excused before the people to-day or before future generations for neglecting the fuel interests of this

dominion, and I say that for three main reasons, the first being that we have gone mechanical. All over the land, especially in the four western provinces, practically every farmer has gone into mechanized equipment, which means he has probably traded his horses for a car; he has bought an interest in a combine; he is depending on gasoline engines; he has disposed of his pasture. The result is that he has gone into mechanized equipment in such a way that it is impossible for him to get back into a position where he can use horses. This has put our whole economy, particularly agriculture, on a precarious basis; and under such circumstances, to neglect to provide for an adequate fuel supply in Canada is not only a blunder but comes near to being a betrayal.

I maintain that our fuel supply has been neglected. Especially am I led to suspect this by reason of the fact that we have almost entirely neglected alcohol. Alcohol can be made successfully from potatoes. Have we had any potato-made alcohol? Have we had any plants established for the production of alcohol from potatoes? Has there been any programme for the growing of potatoes for that purpose? None that I have heard of, notwithstanding the fact that Canada, from coast to coast, is eminently adapted for the production of potatoes. Then, in regard to wheat, I am informed that good alcohol can be made from this grain. We have had a good deal of talking about making alcohol from wheat; but talk is as far as it has gone, and now the farmers of the maritimes are limited beyond endurance in the matter of gasoline, while in the west we are getting far less gasoline than we need. Still, only talk. Alcohol can be produced from beet sugar molasses.

Mr. McIVOR: Does the hon. member not think it would be a waste of wheat to make alcohol from it?

Mr. BLACKMORE: We might have a billion bushels of wheat in this country and yet, if we ran out of alcohol, we might be beaten by Hitler. What does the hon. member think about that? It would then have paid us to turn 400 or 500 million bushels more of wheat into alcohol. Bear in mind that we are fighting for our very existence, and when we are fighting for our existence we must have alcohol fuel. I do not see why so many hon. members seem to do their thinking all in one compartment. They do not think over the whole field. They simply do not realize that we are in danger of being defeated because we lack alcohol or because we lack gasoline. Sugar beets will produce alcohol, and the molasses from such beets can be used to advantage. Have we seen any evidence of a desire to increase our beet sugar production so as to allow for the possibility of producing alcohol from molasses secured from beet sugar? No evidence at all. All these things serve to indicate that the government must be asleep as far as alcohol and gasoline are concerned. Either that, or it must be under the influence of someone or another who has an ulterior motive. I hope I am wrong, but the evidence seems to indicate that I am only too right.

I wish to turn now for a few moments to another aspect of the question. I am worried about the controllers we have. I know only one or two of these gentlemen; in fact, I hardly know any of them. I do know, however, that the set-up we have under these controllers, twelve of them, each possessing almost absolute power over the particular industry over which he has been placed, is in a position to do this country irreparable harm. Take lumber control. I know nothing about the lumber controller; I have never met him though I think I know his name. But I have heard that prices have been set on lumber at such a figure that many mills that could produce lumber and would do so have been caused to go out of business; prices were fixed at such a level as would enable certain types of mill to succeed but would squeeze out certain other types. If there has been a deliberate design on the part of the lumber controller to accomplish that end, then I say that man has been very unkind to Canada. If lumber mills have been squeezed out of existence at the very time when we need lumber in Canada, and then if, after the lumber controller has destroyed a good deal of the productive power of Canada in connection with lumber, we turn round and say that there is not sufficient lumber to build the houses the people want to build, obviously we have been thrown into a position so false as to appear grotesque.

Mr. HOWE: We have kept prices down so that people can build houses. I know of no mill in Canada that is closed. If my hon. friend knows of one, I wish he would let me know. To the best of my knowledge the mills are working full out, with a market in the United States for any surplus at better prices than in Canada. I would say that the lumber situation is in a very satisfactory condition at the moment.

Mr. BLACKMORE: I am glad to have the minister tell us that. One reason why I am saying this is to give him a chance to deny. But from remarks I have heard—and I have definite information from two or three men who, I am sure, knew—there are mills

in British Columbia and certain parts of Alberta that were closed during the past winter because prices were too low.

May I pause here for a moment on the question of price. The minister says that we have kept prices of lumber down in Canada so that people can buy the lumber. That is a most laudable object, entirely commendable. But we can render lumber available to the people of Canada at a low rate without keeping the price to the producer down. That is a fact which is yet to be learned by a considerable number of hon. gentlemen who sit on the government benches. They do not seem to realize that it is possible to do what I am told is done in England, for example with respect to eggs. The producer can be paid 75 cents a dozen for eggs, and the eggs be sold to the consumer at 50 cents a dozen. The government absorbs the 25 cents. The application of that principle is coming; it must come. It will seem strange to people trained entirely in orthodox thinking, but one of the greatest dangers that confront us to-day is the orthodox thinking which prevails everywhere. If we insist on managing our affairs according to orthodox thinking, and our enemies and competitors follow another kind of thinking, they get ahead of us.

With respect to lumber, there is no reason why the price cannot be made sufficiently remunerative to enable every lumber producer in Canada to produce to the full and yet the lumber be sold at a low rate to the consumer. I use lumber merely as an illustration to show that the set-up is exceedingly dangerous to private industry and may result in so much destruction of our production as will subject us to the danger of inflation because of a shortage of goods. This is a result of the system of controls that we have. I am not sure that any controller is abusing his power, but I would feel very much safer if there were a system of supervising controllers so that we could be sure that no controller is taking advantage of his position to help his friends at the expense of other producers.

I turn now to another matter which is causing a good deal of difficulty in my constituency and other parts of western Canada. There have been restrictions in regard to automobiles. We have been told that we can have only so many tires; that only so much gasoline is available; that no new cars are being produced; the result is that many people who have come to depend entirely on cars for transportation are at their wit's end to know what to do.

I call this to the attention of the minister in case he has not noticed it. Twenty years ago before the coming of the automobile every farmer had his buggy and his wagon. There were plenty of buggies, plenty of wagons, in the stores of the implement dealers. There are now no wagons on many farms. In many instances there are no buggies on the farms. There are no wagons or buggies to speak of in the hands of the dealers; men do not know where they are going to buy wagons and buggies. I wonder whether provision has been made for the manufacture of wagons and buggies to take the place of the automobiles.

This is a most serious situation. It is difficult to get harness; it is difficult to get horse-drawn machinery, where men have gone in for ploughs that require a tractor, not to mention the difficulty of getting horses. When men have put all their working capital into automotive equipment and machinery they have no capital with which to buy horses and horse-drawn vehicles. The result is that farmers in many parts of Canada are faced with a situation which to them appears utterly impossible. I wonder whether the minister is taking precautions to see that that situation is met.

These are some real difficulties which I have presented to the minister. I think it would relieve us if he could tell us that all is well.

Mr. HOWE: We are taking special precautions to try to give the farmers the tires they need to carry on business. As far as the gasoline situation in the prairie provinces is concerned, we are fairly secure because we have a local source of supply partly in Alberta and partly in the neighbouring states.

Mr. BLACKMORE: Is anything being done regarding the manufacture of alcohol from potatoes or wheat?

Mr. HOWE: We have an ample source of alcohol so far. All the distilleries in the east and in the west have been turned fairly well to the production of alcohol. We can step up our production of alcohol as much as is needed for any ordinary purposes.

Mr. BLACKMORE: Has the minister any means for supervising the work of the controllers so as to make sure that they are not abusing their powers?

Mr. HOWE: Yes; the chairman of the control board has a staff for that purpose, and of course the deputy minister and I exercise authority over the board. No order can be issued without my examination, approval and signature.

Mr. BLACKMORE: Has the minister any means whereby a man might be able to send in a complaint? Suppose a lumberman finds

prices are being set in such a way as to discriminate against him; is there provision whereby he can write in and complain without endangering himself?

Mr. HOWE: He can, and does very frequently. We get plenty of complaints.

Mr. NICHOLSON: The other day when the minister was before the committee he informed us that since the commencement of the war he had awarded contracts totalling over $4,000,000,000. I envy him his ability to discuss in this house, with very few references to his notes, such a wide variety of expenditures. I might remind the committee that total expenditures in connection with the last war, together with disbursements in connection with demobilization, amounted to $1,695,000,000, or only a fraction of the amount handled by the minister's department. If we add all expenditures chargeable to the consolidated fund, chargeable to capital, all railway subsidies, all other charges and the cost of war demobilization from confederation up to 1935, the total will be less than three times the amount of money being spent by this one department.

It is physically impossible for members of this house to follow intelligently all the expenditures of this large department, but this evening I wish to discuss one company which is under the supervision of the minister, and which, in my opinion, has not received sufficient consideration here. I refer to Wartime Housing, Limited. Unfortunately, at the commencement of the present war Canada was in a very bad way as far as housing our people was concerned. At the commencement of the last war we had, in most cities, vacancies of from 7 to 15 per cent of the total, while at the commencement of the present war less than one house out of every one hundred was vacant in most of our cities. Unfortunately, during the years prior to the outbreak of the war the cities of Canada did not carry out regular, thorough surveys to ascertain the exact condition of housing within their limits. I have a report coming from the city of Halifax and issued in 1932 in which are set forth the conditions prevailing there. From the investigation made it would appear that 11,197 men, women and children were living under conditions believed to be serious enough to be included in a special survey. The most recent survey available from Montreal is one which was published in 1935, which admits that 18,000 persons in that city need rehousing, and that a total of 70,000 dwellings were required at rentals below the levels which private industry could afford. An excellent report was prepared on conditions in Toronto when the hon. member for Parkdale (Mr. Bruce) was lieutenant-governor of Ontario. According to that report, not only were bad housing conditions discovered but the presence of a serious housing shortage was also detected. The report goes on to say:

A surplus of households is at present absorbed by doubling up and overcrowding. If reasonably full employment were to return, and marriages delayed by depression were to take place, it is probable that a shortage of some 25,000 dwelling units would become apparent.

The most comprehensive report available comes from the city of Winnipeg, where they have been so fortunate as to have a public health department which each year conducts a very thorough investigation and submits a full report. In the most recent report we find that they have reached an all-time low in the number of vacancies, which means that more and more families are having to crowd together. The report goes on:

This condition is, of course, in conflict with our health and other by-laws, but it is evident that there is little we can do about it.

And further on:

During the past five years, the total dwellings and suites provided was 1,886, while during the same period, there were 18,322 marriages—one dwelling or suite for approximately every ten marriages. Of course many of the marriages are of people from outside the city, but if three-fourths of the marriages were of city people, the rate would be only one dwelling or suite provided for approximately every seven marriages.

I believe hon. members will understand what a serious problem is presented by these figures. Since this report was made, a great many of the young men who have joined the forces have married. These young men are risking their lives to fight for their homes; yet on coming back to Canada many of them find that we have not homes available for them. Their families find it impossible to secure housing in many of our larger cities within the price range they can afford. The report concerning Winnipeg goes on to say:

Surely our present housing shortage cannot continue much longer. The risk to health of our substandard housing, not to mention that of the fire hazard in our nondescript tenements, may be brought home to us with painful remorse.

This report gives an idea of how costly it is to maintain these large slum areas in our cities. A few years ago a survey was carried out in Winnipeg, for the purpose of which they divided the city into three areas, numbered one, two and three. Areas one and two included the worst slum districts, while area three included the rest of the city. The report indicates that the arrests per thousand of population in area No. 1 was 21·1; in area No. 2, 52·2, and in the rest of the city, 6·5.

Cases handled by the children's bureau per thousand of population in area No. 1 was 9·1; in area No. 2, 9·2, and in the rest of the city, 4·2. Juvenile court cases per thousand of population, in area No. 1, 16·9; in area No. 2, 23·7, and in area No. 3, 11·5. St. Boniface out-patients per thousand of population: in area No. 1, 22·9; in area No. 2, 34·2, and in area No. 3, 5·3. Hospital public ward admissions per thousand of population: in area No. 1, 91·1; in area No. 2, 101·4, and in area No. 3, 52·9. Scarlet fever and diphtheria: in area No. 1, 13·6; in area No. 2, 15·7, and in area No. 3, 7·5.

This report gives the comparative cost to the city of social services in the two special areas compared with the rest of the city, indicating that in terms of dollars and cents it is an expensive business to allow these large slum areas to exist. The report goes on to say that with regard to seven essential services the cost to the city in the two special areas was $639,000, while the cost for the rest of the city was $612,000; but if the cost for these slum areas had been at the same per capita rate as for the rest of the city, that cost would have been $189,000. In other words, there was a yearly cost in areas Nos. 1 and 2 of $450,000 in excess of the cost for the rest of the city, which means that it cost the people of that attractive city nearly half a million dollars yearly to maintain this large slum area. It was estimated that if a million dollars had been spent in slum clearance, it would have been possible to amortize this amount over a twenty-year period at an annual cost of $77,000, which would give the city a saving of about $350,000 a year.

I might direct attention to an interesting report that was presented to this house in 1935, when a special committee was set up to look into the housing situation. I am sorry to say that only three of the members of that committee are still here: the hon. member for Broadview (Mr. Church); the hon. member for Lambton West (Mr. Gray), and the hon. member for St. Boniface (Mr. Howden). In this report there is a statement showing the cost of the slums in the city of Cleveland:

> According to an intensive survey made in Cleveland of a slum district where two and one half per cent of the population lived, 22 per cent of the murders were committed, 6·8 per cent of boy delinquency, and 12½ per cent of the tuberculosis deaths occurred in this area. Although the per capita cost of fire protection in the city of Cleveland is only $3.12 the cost in the slum area is $18.72. Although the total tax income of this area is only $225,000 the total municipal expenses are $1,356,000, leaving a deficit of $1,131,000, which must be made up by the rest of the community. If you add the contribution of the various unofficial agencies, such as visiting nurses association, maternity hospitals, etc., we add $615,000, so the total deficiency is $1,740,000.

In the same report a table is submitted showing what proportion of the family income should be spent in rent. White-collar workers, receiving an income of from $1,000 to $1,500, might spend one-third of the income for rent, or $34.70 a month. Artisans, receiving an income of $850 to $1,025, spent one-quarter or $19.60 a month. Semi-skilled workers could not spend over one-fifth, or $12.50 a month on the average, and unskilled, on the wages they were receiving, could not spend more than $9.20 a month. The committee submitted recommendations which have received consideration by subsequent governments, but unfortunately the recommendations have not been acted upon to as great an extent as might have been expected. In the evidence it is emphasized that:

> A national emergency will soon develop unless the building of dwellings be greatly increased.
>
> The formulation, institution and pursuit of a policy of adequate housing should be accepted as a social responsibility.
>
> There is no apparent prospect of the low rental housing need being met through unaided private enterprise, building for profit.

This report was submitted in 1935. Unfortunately since that time very little consideration has been given to achieving this general objective. I am very glad to say that the government has recognized that the housing of people in our industries is an essential part of our war effort. In the United States the same policy is being followed.

I have in my hands a copy of *Business Week* for January 3, 1942, in which it is stated that the President of the United States in the previous week had signed an appropriation to bring housing money up over the billion mark. It mentions that defence housing has gained recognition as a major war project. During the last war United States industry found that they had wastages of as much as 10 per cent, as a direct result of being unable to find for their workers housing adjacent to factories. We are already experiencing similar difficulties in Canada.

Recently I visited one of the munitions industries in the Toronto region. The people of Canada have invested over $5,000,000 in providing plant and equipment in this particular factory, and I must congratulate the minister upon the excellent work that has been done there. As far as I could see they are doing a very good job, but the management informed me that they are now experiencing a problem which apparently had not been anticipated. There are men who are coming as far as fifteen miles to work. During a

time of unemployment men will travel fifteen or twenty miles, if necessary, to find employment; but during a time of nearly full employment, if a man can find work within three blocks of his home, even if it is in a non-essential industry, he is likely to find an excuse for being dismissed from the essential industry. I am informed that this particular company has submitted a brief to the department suggesting that consideration be given to the providing of houses in that particular area.

A little over a year ago the minister persuaded the government to agree to set aside $10,000,000 for the purpose of going into the business of building houses. Since that time I understand commitments have been undertaken which will require at least $30,000,000. I am not criticizing the minister for the amount of money that is being spent. As a matter of fact I do not think he is spending enough money on this particular phase of the war effort. If we assume that it is going to cost a billion dollars a year to produce the munitions, it is conceivable that we shall have a wastage of 5 per cent or even 10 per cent. We suffer a loss of $50,000,000 to $100,000,000 a year as a direct result of not having adequate housing available in the areas the men are employed. Therefore I am not criticizing the minister for spending too much money on this very important project.

I do feel, however, that the projects are open to criticism, on two grounds. In the first place we are building potential slum areas under Wartime Housing, Limited. I know the minister has stated that these houses are to be demolished when the war is over. Past experiences in every country however, have demonstrated that temporary houses will not be torn down as long as there are in the various communities less desirable houses being occupied. If the moneys spent on wartime housing were being spent in isolated places where industries have been established—industries which will be demolished when the war is over—I would not be so concerned. But if we look over the returns which have been brought down to the house, we find that large sums of money have been spent in Halifax, Hamilton, Vancouver and other cities in Canada where there is a very serious shortage of permanent housing.

Therefore, in deciding a policy of wartime housing the government should consider first of all the amount of labour available in Canada, the amount of material available, and the time element—whether there is an immediate hurry to have these houses built. As far as cost is concerned, the pronouncement by the Prime Minister, the Minister of Finance and the Minister of National Defence should be the policy of the government, namely, that whatever is physically possible will be made financially possible. That being so, if it is physically possible to build permanent houses, then by all means let us make it financially possible. We cannot afford in Canada at this time to spend $30,000,000 on the building of potential slum areas. I submit that the temporary houses which are being built are going to become potential slum areas.

I feel the department is open to a second criticism, on cost and on construction. Hon. members have been invited by the minister to visit houses in Hull built by Wartime Housing, Limited. Some hon. members have accepted his invitation, and I think all who have made the visit will agree with me that the taxpayers of Canada have paid a great deal of money for flimsily constructed houses. A return brought down recently placed the cost of these houses at $3,379.

In Ottawa within the last year permanent houses have been built by the national housing administration, under the Department of Finance. I urge hon. members who are interested in housing to visit the wartime housing buildings in Hull, and then to visit the national housing administration houses in Ottawa. A return was brought down on March 27 giving information respecting the building done by the national housing administration. My first question was: "How many single housing units were built under the supervision of the national housing administration during the period September, 1939, to December, 1941?" The answer was "12,852 units." That is a valuable contribution toward solving our housing problem. It is not yet enough, but it is over 12,000 more than we might have had. Then I asked as to the average cost per house, and it was shown that the average cost was $3,750. My next question was as to how many low-priced houses had been built by the national housing administration at $2,500 each, and the answer was "2,433."

I have some plans before me showing the type of houses built under the national housing administration. I refer particularly to a house twenty-four feet by twenty-four feet with two bedrooms, a good sized living room, an attractive kitchen with built-in cupboards and so on and two windows, and a bathroom. This is a permanent house with a full-sized basement, containing a furnace. I recently visited one of these homes in Ottawa, and I was advised by the owner that this house was secure by his making a cash payment of $250 and monthly payments of about $20

including interest, principal and taxes, over a twenty-year period. Actually these people are getting a house of this kind for $250, because their monthly payments are no greater than the rent which would be asked for a similar house. They are paying $16.35 a month for twenty years to retire principal and pay the interest, and the taxes bring up the payments to around $20. Recently a change has been made requiring the amount borrowed under the national housing scheme to be repaid within a fifteen-year period. Under this plan, during the first five years when only small expenditures would be required for repairs, the payment amounts to $19.62, and for the next ten years payments drop to $14.60.

The point I am trying to make is that people who are living in these homes are home owners. They take pride in their flowers, trees and lawn; they take pride in owning their first home, and that is a very important consideration. In the basement of this particular home a ping-pong table had been in use during the winter months. This was a fine place for them to spend their evenings. In contrast to this, we have the type of house erected in Hull, built of inferior materials, without a basement or furnace, erected by Wartime Housing Limited. Strange as it may seem, people in Hull are paying $30.20 a month for a house that they will never own, a house that will never give them the source of pride which they would otherwise have.

Speaking in the house last November the minister made reference to having met someone who was living in one of these wartime houses who would not exchange it for a brick-veneer house built some years ago at a cost of $5,200. I do not, for a moment, doubt the minister's word, but he did not mention where that man lived. I think he must have lived up in the territory represented by the hon. member for Yukon. I cannot conceive of a person in Hull or Welland or Hamilton being willing to exchange a $5,200 brick-veneer house for a house built by wartime housing. I can conceive of a man who had built a house in Hudson Bay junction, where I lived for ten years, or in the Yukon or Churchill or the Pas, and who found that he was compelled to live in another province, being willing to trade a $5,200 house for a house of that sort. But I cannot understand anyone being willing to exchange a house that had cost $5,200 for any house built by wartime housing in the same area.

Recently I received from Vancouver an illustrated booklet showing three houses which had been built there under the national housing administration scheme. These houses are quite attractive looking, nicely painted, with brick chimneys, lined flues, full-sized basements, furnaces, hardwood floors and modern conveniences. They were built at a cost of $2,500 each. In the same booklet there is a picture of houses built by wartime housing. When the booklet was prepared it was assumed that these houses were being built at a cost of around $2,000, but the return I have states that these temporary houses, without basements and without furnaces, were built at a cost of $2,996.97. I cannot understand how permanent houses can be built in greater Vancouver for a down payment of $250 cash and $20 a month for a twenty-year period, when other workers are required to pay from $20 to $30 a month for inferior houses which will never become their property.

There is one other point I want to make before I conclude. So far the government has not given consideration to the building of houses which will be available for the families of men who are with the navy, the army or the air force. From what has been said in the house, I gather that the Minister of National Defence (Mr. Ralston) does not consider that the building of houses is his concern. I find that on April 28, as reported on page 1942 of *Hansard*, he stated what unfortunately appears to be the position of the government. He said:

> I must take this position—it is the position taken by my colleague the Minister of Finance—that this question of housing the citizens of Canada—not people moving transiently—is the problem of the municipalities rather than that of the federal government.

As I mentioned earlier, hundreds of men from every part of Canada have joined the air force, the navy and the army, prepared to go any place in the world and to risk their lives. The relatives of some of these men are coming to our civic authorities and saying that their husbands are away fighting for their homes, but they have no homes; they complain that they cannot secure houses. The wife of a private with two children receives a monthly allowance of $79. I should like to know where in Ottawa or Toronto or Hamilton or Winnipeg the wife of a soldier would be able to rent suitable quarters for one-fifth of that amount, or $15.80.

The Minister of Munitions and Supply is in charge of the building programme for the government, and I think he should give careful consideration to the building of low-priced houses to be made available to the relatives of those who are with our forces. Air force camps have been built in many small communities, and the relatives of many of the permanent staff would like to find

living quarters so that they could see their husbands or fathers. Consideration should be given to the building of temporary houses in many of these areas. The Minister of National Defence for Naval Services dismissed lightly the question which I asked a few nights ago. He said it was unthinkable that a house should be provided for a wife who was going to Halifax to see her husband off. Large numbers of people are going to be stationed at places away from their homes for the duration of the war and, if the raw materials and labour are available, I think it is the duty of this government to see that houses are made available for our people.

I should like the minister to follow me and make a statement regarding the policy of his department in connection with wartime housing, indicating what their plans are. I understand from the press that commitments have been made for about $30,000,000. Will the minister indicate whether that is about all the money he expects to spend, or whether consideration has been given to the building of houses in areas where the forces are stationed? I should like him to make a statement as to why the cost of wartime houses appears to be so high compared with the cost of houses built in the same areas under the national housing scheme. Why should a wartime housing house cost $3,379 in Hull compared with a cost of $2,500 for a permanent house built in the city of Ottawa under the national housing administration?

Mr. HOWE: I think I have explained this several times, but I shall be glad to go over the ground once more. The national housing policy presents quite a different problem from that presented by wartime housing. The money for national housing is available and has been continuously available to anyone who cares to take advantage of it. It has been used largely by speculative builders who took advantage of the terms quite legitimately in order to build houses, and sell them on a rental basis.

Mr. NICHOLSON: Where has that sort of thing been done?

Mr. HOWE: The town of Port Arthur is one place about which I happen to know something.

Mr. NICHOLSON: They are built by speculative builders?

Mr. HOWE: They are sold on a rental-lease basis. The owner is seldom the initial borrower. Frequently he is, but I think the majority of these houses are built on a speculative arrangement.

[Mr. Nicholson.]

Mr. NICHOLSON: I think the minister is misinformed in that connection. As I understand the act, the owner must be the borrower.

Mr. HOWE: Well, we will not argue that; my hon. friend may be better posted than I am. But I know that in my own town the arrangements at least are made as a rule by a builder, perhaps for an owner, and the owner may be brought into it before the house is started. Usually these houses are built, not singly, but a number at the same time, in my own town.

I believe the mortgage is made by the owner direct with the department; I am not sure of the mechanics of the thing. This arrangement is, of course, for a house built by a man who lives in a community in which he expects to remain for many years. Wartime housing is not for that sort of an owner. As my hon. friend knows, we have moved great numbers of our population from one city to another, from the prairies to the cities, from the cities to plants built in small communities; and wartime housing is built to take care of the man who has been so dislocated. That is all that it was ever intended for. It is quite different and distinct from houses built under the National Housing Act.

For this purpose we have provided a type of construction which, while giving the owner every comfort, is not expensive. My hon. friend speaks of "inferior materials". He is quite mistaken. The housing materials which go into the wartime housing project are the best that are used in building generally. They are not elaborate, but there is nothing shoddy about the wartime housing house.

Mr. NICHOLSON: Has the minister seen the houses in Hull?

Mr. HOWE: The houses in Hull are like those elsewhere. Has my hon. friend seen a wartime housing development which has been in existence for a year or two? I went to Windsor yesterday and saw wartime houses there. I found that there was a wartime housing improvement association of tenants putting in shrubs and building playgrounds. I may say, as one who has something to do with this, that I felt quite proud of that community. I have yet to hear a complaint from a tenant. I visit these housing projects wherever I can, and I have heard plenty of criticisms from dealers in lumber, from dealers in hardware, and from people like my hon. friend, but I have yet to hear a complaint from a tenant; in fact some very nice remarks have been made by tenants of these houses. It is always a pleasure for me to visit them.

My hon. friend asks why they cost—as he says—more than permanent housing. I doubt

very much if they do. But I would point this out. The builder of a home under the National Housing Act becomes a permanent citizen of his community and he is entitled to the rights of a citizen. He goes on a street which is developed; he attaches to the existing sewerage system and the existing water mains. The city pays part of his local improvements and he pays the remainder in taxes over a period of years. He is a taxpayer; he is entitled to the use of the services of the city, to everything which is the right and privilege of the taxpayer. But wartime housing is a temporary invader of the community. It does not become a citizen; it does not pay ordinary taxes, but it relieves the city of any expenditure on its account. When we go into a city we very often build our own streets, our own sewerage systems, our own water systems. Sometimes the expenditures for these purposes are very considerable. There is a case in Hamilton, I believe, where we have built almost a complete sewerage system and a complete water system. All that is charged against the houses. Our tenants do not pay taxes. We, as owners, pay the city the school taxes, and something more, by an arrangement we have made in all the provinces and which has been approved by the provincial governments and accepted by the cities in which we build. Therefore the tenants of our houses pay their rents, but no taxes.

As to the reason why these houses are constructed as they are. We do not wish to establish populations permanently where they are to-day. It is not desirable. The city of Windsor, I suppose, has almost twice the population it had at the beginning of the war. These people came from farms; they have houses elsewhere; we hope that after the war a goodly number will go back to their farms; that is, to their permanent residences. We have built sizeable communities around war plants which we know definitely will close down after the war—for instance, plants manufacturing ammunition and plants filling shells. These are temporary war projects and must necessarily be sold. There is no post-war use, that I know of, of an ammunition plant or a shell-filling plant. We had them during the last war, and when it was over the buildings were torn down. I doubt whether these plants will be demolished, but they cannot, I believe, be adapted to any other useful purpose. This means that these communities will disappear after the war. The advantage of the present method of construction is that the tenants can take these houses with them if they like. They are easily demountable, easily removable. They can be put upon permanent foundations, and first-class houses can be had with a very small additional expenditure. We hope that by building this class of house we can, after the war, if there is a movement of population elsewhere, take care of them. We have not a number of houses which, my hon. friend says, are bound to grow into slums. Nothing of the sort. If there is any tendency of that sort, the houses will be removed. In case the houses are needed where they are to-day, it is the simplest thing in the world to jack them up, put a permanent basement under them, install a central heating system, and thereby have as good a house of that class as can be obtained.

The type of house which we use is the type which is being used to the south of us for the same purpose. Demountable houses are being constructed there. Inquiries lead us to believe that the housing situation in the United States is not being met in as orderly a way as it is in Canada. We have been able to keep up to reasonable requirements, and we intend to continue doing so.

We do not lead the way in housing. We like to have a demand before we build, but we are reasonably keeping up with the demand. Officials of wartime housing are constantly studying the various centres of war industry to determine the housing needs. We have local committees who also study the question. If we have a considerable number of applications for wartime housing, there is no delay in starting a new project. In Windsor there are now, I believe, 1,300 houses. In addition, there are about 700 applications, and we are starting immediately to build another 500 houses in that city.

Therefore we are keeping reasonably up to the requirements of our war industries. As far as the ordinary civilian population is concerned, that is a somewhat different story. It is not the purpose of wartime housing to look after them. We still have the National Housing Act which can be used, and if, as my hon. friend says, it is so much better and cheaper, it is surprising that more people do not take advantage of it. In any event, we have the National Housing Act. We have helped out on occasions in many cities. If there is a demand of the type to which my hon. friend refers, we make available to the city, by arrangement, a certain number of war-time houses. I believe that in Hamilton we have made twenty available. Usually five or ten are all that are required. Windsor is exceptional. There, in addition to the twenty I have mentioned, we intend to make a few more available.

I assure my hon. friend that, where there is wartime housing, no conditions are allowed to rise which the city itself considers to be a condition of distress. We have always been quite willing to help a city in circumstances of that kind. I think wartime housing has served a useful purpose, and I am not at all ashamed of the type of houses we have built. As temporary houses go, I think they are first rate. We have a list of satisfied tenants, and I have yet to hear a direct complaint from one of them. The houses are well looked after by local committees, and on the whole I must say that the enterprise has turned out quite as well as I hoped it would when the work was first planned.

Mr. NICHOLSON: The minister has not fully dealt with the question regarding the cost in Hull. The sum of $3,379 appears to me to be a very high cost. I agree that in areas where the population will not be located permanently there is a real place for wartime housing, but these houses in Hull will be occupied, for example, by people employed in the Ottawa Car and Aircraft, and the situation here is that we need permanent houses, and a great many of them. If the time factor were of importance I could understand that some of these houses might be built, but in the return brought down the other day it was shown, with regard to the houses in Hull, that they were supposed to be completed, some by October 17 and all by December 17. I was there the other day and only thirty-four or thirty-six were occupied by the 1st of May, which would indicate that there has not been a very great demand for houses immediately for the people considered to be in war industry. These houses cost $3,379, and I submit that in Ottawa better houses have been built for $2,500. It is true that these minimum cost houses have only two bedrooms while the others have four, but how is the difference in cost to be explained? There are lots available in Ottawa where houses could be built, where it would not be necessary to go to the expense of providing the services that are furnished in Hull. Taking into consideration the needs of the community in Ottawa and Hull, I cannot see why the people of Canada should embark upon a programme of building houses, paying $3,379 for temporary houses, when better permanent houses might have been built for the same sum or less.

Mr. MITCHELL: I was interested in what the hon. member said, but it must be remembered that in the $3,300 there is included $20 a foot for right of way, $17 a foot for the sewer, and all the other things. They are all included in the price.

[Mr. Howe.]

Mr. DOUGLAS (Weyburn): They are included in the $2,500 too.

Mr. MITCHELL: The hon. member said, I understood, $3,300.

Mr. DOUGLAS (Weyburn): Those things are included in the cheaper houses too.

Mr. MITCHELL: Then there is construction. If the sewer goes through rock that is something that enters into the cost.

Mr. NICHOLSON: But all these things are known by wartime housing.

Mr. MITCHELL: The chairman of Wartime Housing, Limited, is a personal friend of mine, one of the ablest builders and contractors in the dominion. After all, every man after his own line. I will, however, say this about the houses. They are better houses than I lived in when I was first married, when I spent the happiest moments of my life.

Mr. DOUGLAS (Weyburn): That does not prove anything.

Mr. MITCHELL: It does prove everything, I may say to my hon. friend the member for Weyburn. I have lived in cities all my life and I know something about cost of construction. I was in the building trades; I was raised in them, and I know something about the cost that enters into these houses, the cost of building roads, sewers, sidewalks and all the other services that are required. I know something of costs spread over a term of years, in taxes and so on, in an organized community, and all these things are included in the cost of houses. Wartime housing services industry; the service must be rendered quickly; and, as the minister pointed out, in the very nature of things it cannot be permanent. All one has to do is to go back to the last war and see what happened not only in Canada but in the country to the south of us. See what happened in the New England states. When the war was over and various industries collapsed, as they will, then there was another shift of population back to ordinary peace-time pursuits. I think we should take a long view of the matter. One thing that is necessary when the war is over is that we should have a cushion for the construction trades, and I do not know of a better cushion than the building industry. I should like to see a tremendous building programme when the war is over. That will be the time to embark upon a long-term building programme in houses of a permanent nature such as those to which my hon. friend refers. As I say, we should have a tremendous permanent building programme under the direction of the government when the war is over.

I have a vivid recollection of coming back from the last war and seeing the kind of houses that were built for the men who returned from overseas, and I hope that when this war is concluded we shall have a better type of construction for the soldiers who will come back from overseas than we had after the last war.

Mr. DOUGLAS (Weyburn): But the minister has not explained the difference of $800 between the two types of houses.

Mr. HOWE: We are not preventing anyone from building the other kind of house. If a man wishes to build under the National Housing Act, he can borrow 90 per cent of the money from the government and go ahead and build a house of that kind. If he can do so, why does he not?

Mr. DOUGLAS (Weyburn): The minister is begging the question. The fact is that this is the Canadian people's money, and if we can build a good house for $2,500 we should not spend $3,300 to build an inferior one.

Mr. HOWE: The proper place to investigate the cost of housing is in the committee on war expenditures, where all costs are laid on the table and one can see where the money goes. It is no use arguing with me that this is an expensive house when I say it is a cheap house. I know what materials cost. I know what labour costs. I know what sewage and land cost. I know the houses are well built, built by an expert builder, and at reasonable cost. My hon. friend can debate all night that the houses are expensive, but if we lay the costs on the table it will be necessary for him to show where the money was wasted. I love to hear people who have no possible way of knowing anything about the building business, in this case, two gentlemen of the Gospel, which is a fine pursuit, arguing with me, who have been all my life in such business and know something about the facts, and telling me that these houses are too expensive. It is hardly an even argument, and we could go on arguing for some time.

Mr. DOUGLAS (Weyburn): The minister mentioned the committee on war expenditures. That raises a very important question. Let me point out to him that the war expenditures committee has been selected, and when it was set up the Prime Minister said that it could be enlarged. Three subcommittees were set up. We tried to get that committee to arrange that there should be one representative from our group and one from the Social Credit group on each subcommittee, but we have no representative on the subcommittee investigating wartime housing. The minister therefore cannot throw the responsibility upon us. The minister says that certain men are clergymen and therefore do not know as much about houses as he does. That is possible. But even a clergyman knows the difference between a house with a basement and a house without a basement, a house with a furnace and a house without a furnace, and if the latter costs more than the former then an explanation is needed. As far as this group is concerned, we have one representative on the war expenditures committee, and the supporters of the government prevented us from having representation on the subcommittee investigating wartime housing.

Mr. CHURCH: I have a few words to say in connection with this housing proposition. This was a Conservative policy in 1935 at a time when hon. gentlemen of the third party did nothing about it. During the dark days of the depression in 1935 when the Bennett government was in office a motion on the subject of housing and reconstruction was made by me when the construction industry was down and out. The resolution was debated for two days; a housing committee was appointed by our then leader, and after sitting for three months it presented a comprehensive report to the house. Under this resolution wartime housing only is before the committee at the present time. I am not going to discuss housing except to say that during the last war I had a great deal to do with the housing situation in Toronto and the many suburbs and municipalities clustered around that city with a population of 1,100,000 people. The city took over the street railway radials and started the buses, because the housing problem is largely a transportation problem, and provided good municipal services, water, roads, sewers, and other services. If you have the transportation and the sewers, water supplies, lights and heating, then the housing will go ahead. Twice the number of houses were built at that time than in the years after the war, and shortly before its close by the city building civic car lines.

Our housing committee made its report to the house in 1935. The Bennett government adopted it but was defeated in the general election of that year, but the main part of the report was adopted by the present government which came in and some $76,000,000 have been spent. That is permanent housing work. I wrote Mr. Pigott, the chairman of wartime housing, a couple of weeks after his appointment and asked him if he would make a survey of the houses needed in the Toronto district. He did, but the municipalities have to apply to them for wartime houses, or the use of them for soldiers. I found that the

wartime houses are of little value, and I think the money spent will in the end be largely wasted. One has to consider not only transportation but sewers and health regulations; it is an involved municipal matter. We should see that the money is not misspent—I do not mean in the literal sense of that word, but see that economies are effected, by the construction of a better class of house that will last, with all conveniences.

This is the sixty-seventh day of this session. I have been asking the government to announce what their policy is in connection with housing. The city of Toronto has been a leader in giving transportation, hydro, water, roads, sewers and other services. It took over the street railway and the radials, giving service to the surrounding districts, with the result that the city has expanded greatly. The Postmaster General knows well that on Avenue road north of Havergal college in his riding a very large district has been built up by the bus lines which have been established by the city, north, east and west. These bus lines were established in advance of the building of houses. The people went there and some have no other form of transportation. The northern growth of the city was largely due to the extension of civic car lines, and the taking over of radials; the building of these lines out into the suburbs brought about the development of housing.

The minister has given a great deal of study to this question, but I believe it will be found that the money spent on the present type of wartime houses will in the end be very largely wasted. I know that is the opinion of many people in the building and construction industry. I believe the government would be well advised if they announce a vast housing scheme for this country, not only for the cities but for the small towns and rural places and the farms as well. I referred to this in 1935 when I visited the northern part of Ontario and saw the condition of the farmers and small market gardeners as to housing. Modern housing is a great factor in national public health. I hope the government will make some announcement at once on housing. I believe the government should build houses, because after the war the soldiers' families and the munition factory workers cannot live forever in the type of houses now being built by wartime housing, or forever in some unfit for habitation, with the climate we have in this country and the need for fire and fuel for heating some eight months in the year compared with five or six in the olden days.

I wish now to say a few words about the present minister. I have known him since he was a young engineer and have had a great deal of respect and liking for him and for his wide experience since I was chairman of the Toronto harbour board. I should like to see his title changed to that of minister of production. Such a minister has been appointed in the old country. I do not know how the minister's health stands the hard work he has been doing. It is the general opinion in and out of this house that in view of the very grave situation of the war we have not been getting all the production we should, although good so far. We have lost the command of the sea on the Pacific. The minister should have full power to coordinate whatever authority is divided among other ministers in relation to production. He should be able to take a long range view of the situation, because the war is getting worse all the time; we have had very little success up to the present. I am fair enough to say that the minister has done a splendid work so far, changing this country from a peace economy to a war economy. Mistakes have been made; they will always be made in times of war; they were made in the days of Pitt and Napoleon and in the last war, for we were an unmilitary power. Large sums of money will, no doubt, be wasted. The minister has had a very hard task and it grows harder, but I believe that what has been done will form a splendid chapter in the history of this country when we get a total war effort. I would add, however, that the government has been led to embark on great expansion of this production work by the urgings of members of this house and the people of Canada, because the public and the rank and file of members of this house have been ahead of the government and on many occasions have forced the government, through public opinion, to take the action they did. Canada started two and a half years ago from scratch and a great deal has been done, but there is much more to be done.

In 1936, 1937, 1938 and 1939 before the war started I wanted a survey of the industries of this country, large and small, to see what could be done in rearmament, also a national selective service registrar. That was not done.

We should have a vast shipbuilding policy for this country which I wanted, and should have opened civil plants on the great lakes when that industry was pretty nearly down and out, but no action was taken. At the time of the last imperial conference in 1937 there was a shipping conference, but Canada opposed it and said, "We have no commitments; parliament will decide." Our delegates at the Pacific conference of 1937 knew

that Britain had two thousand fewer ships than she had in 1914 to carry food, with five million more mouths to feed. Yet nothing was done until the very outbreak of the war. The lack of ships may lose us our dominion. The establishment of a shipbuilding industry in Toronto during the great war gave a large amount of work. I was then the head of that city and for some time chairman of the new Toronto harbour commission. When we came here to see the very able minister, Hon. Mr. Hazen, Minister of Fisheries, the splendid father of the splendid member for St. John-Albert to-day, he was most sympathetic to Toronto. He was a great war-time leader then in shipbuilding. I think some eighteen wooden ships were built as well as other classes of ships, at the foot of Bathurst street, giving work to many skilled mechanics of all kinds who had been having a very difficult time. I am sorry that the government have not so far brought down a national merchant marine shipbuilding policy to build wooden ocean cargo ships of 8,000 to 10,000 tons in the great lakes as in the last war. I believe they will be necessary before the war is over, in view of the very grave situation that now exists in the shipping industry, and I believe there will be a great demand for them after the war is over, for we shall not be able to get along without them, because we were the fifth nation in trade and commerce.

In my opinion the house has been very anxious that this production should be increased not twofold or tenfold, but one hundredfold. It has been stated here that our production is two or three times what it was in the last war. One might just as well say it is one hundred times greater than it was at the battle of Hastings. It would be just as good an argument. In view of the "yes" vote I believe the government would be well advised to move a little faster; since the war began it has always been a little behind public opinion in these matters. We should review what has been done and what has been left undone and what we ought to do in the way of production; the drawbacks, the restriction of supply, the absenteeism, the lack of parts, and the general speeding up of the service accordingly. We are told that we have efficient administration, but while they say there is a demand for men in the country, there are still thousands of men over fifty years of age who seem to be the forgotten group, who are out of work, who have had long experience in many industries now connected with our war, both as executives and as mechanics, who cannot get jobs of any kind. Why not seek them out and put them to work on production? I should like to see these men given some consideration.

We on this side of the house urged that Canada should produce many kinds of instruments used in the war, but the government turned a deaf ear to us for many months. After Dunkirk, however, and after Pearl Harbour we in this house noticed that there was a great endeavour to speed our war effort, and that is all to the good. We now realize that our country has not been pulling its full weight for a total out-and-out war effort, and we should get on with the production as quickly as possible. This house and the country need leadership, something we have not always had. The people are sick and tired of being asked to do this and do that, for they have always been ahead of the government in regard to production and in advocating an all-out effort for victory in order to get the war over as soon as possible, and a victory. It is no easy task. The road is hard; there is no royal road to victory, and it is not ours by divine right.

What have we done to aid Russia? Very little, as far as I know. Of course we have helped in the air to a limited extent, but Russia is bearing the brunt of the war in this critical year 1942 as Britain did for the first two years. The war is becoming more awful every day, and it is becoming more and more imperative that Canada should have an aggressive spirit, a real total war spirit both in industry and in the fighting services. So far it has been a long series of nothing but withdrawals and defeats all along the line, and the people are getting war weary. Where is Canada to-day? The right spirit is in Canada, but it needs leadership. Let us not sit back any longer. Look at the awful defeats, reverses and withdrawals we have suffered during this war: Norway, Greece, Crete, Hong Kong, Singapore, Burma, Java and the Pacific, and the war is now at the very door of the four dominions. We have been told that these defeats were due to two causes: first, the lack of equipment and, second, the lack of production. If that is so, we had better awaken. We were unprepared and were totally disarmed and an unmilitary power, and we in this house must accept responsibility for that situation. As I see it, the position is very grave, and Canada should bestir herself at once. The war in the Pacific will be decided by command of the seas. Japan's initial success was the invasion of British, American, Dutch, Australian and other territory. They have captured the whole southwestern Pacific and the China sea and have invaded the Indian ocean to south Africa's shores by being prepared, and by possessing supremacy of the sea. That supremacy is undisputed. All this shows us the dire need of ships and an awakened public opinion to get them before the war is lost.

So I urge upon the government a vast shipbuilding scheme, and not an hour or a day should be lost. We are not yet able and will not for a year yet be able to challenge the supremacy of Japan in the Pacific. Japan now has the same command over the Pacific that Germany has over the Baltic when the Russian ports are closed by ice, and in the Black sea. Japan does not need to establish a military blockade of the main forces of her enemies to keep them away from the areas she has seized so far. She is able to hold them without that. She is there in sea command. Japan is pursuing her campaign in an area stretching over fifteen thousand miles, going from island to island like a circus, but this cannot go on forever. I believe once she loses command of the sea she cannot supply or reinforce her scattered garrisons or draw from the conquered territories those supplies for which she entered the war. There is only one road to victory for the allies; that is, to reestablish command of the Pacific, as effectively as we now have command of the Atlantic. But command of the seas can be achieved only by the destruction or neutralization of the blockade being maintained by the Japanese navy.

I believe it is largely the fault of Canada that Japan is in her present position, because, up to the hour she declared war on us, we exported large quantities of copper, aluminum, nickel, pig iron, scrap iron and so on to enable Japan to build her fleet. At one time Canada had a magnificent merchant marine, built by the government during the last war and since. What did we do with it and the Canadian National Railway Merchant Marine? In 1935, when Hitler was rearming, he was getting his base materials for the manufacture of war equipment largely from Canada and other countries. On March 23, 1938, *Hansard*, page 1614, appears an answer to a question by Viscount Bennett, showing the Canadian National Railways ships that had been disposed of, their size and the amount received for them, as follows:

Name	Tons deadweight	Sale price
Canadian Cruiser	10,500	$50,077
Canadian Constructor ...	10,500	50,077
Canadian Challenger	8,390	40,013
Canadian Highlander ...	8,390	40,013
Canadian Britisher	8,390	40,013
Canadian Leader	8,390	40,013
Canadian Scottish	8,390	40,013
Canadian Conqueror	8,350	39,823
Canadian Victor	8,350	39,823
Canadian Planter	8,340	40,061

Some of those boats cost a very great deal, a million dollars and more. The Princess type of boats also were sold, or thrown away, by the Canadian National Railways for a trifle, together with many other ships which could be used very well to-day because war came two or three years after their sale. In addition, many of the scrapped national railway cars were sold by the maintenance department of the Canadian National to private dealers, who in turn sold them to Japan to enable that country to get on with its preparations for war.

I suggest that there might be some reorganization of the work in the production department. Indeed, I have some suggestions. Would it not be well to arrange now to establish regional executive production councils in the provinces, who could decentralize this work of production. They could meet weekly in regional centres and thereby ensure administrative decentralization, acceleration of decisions and economy of money and man-power. Supply departments and all appropriate government services would be represented. There would be a reorganization of production, by regions, instead of having centralization of everything here in Ottawa and so speed up production in all departments. Such a committee would include representatives of employees' organizations, the federation of manufacturers, and the trades union councils of this country.

Regional boards such as I suggest would meet in a panel, and questions of production of all kinds in factories, including defects in organization for the laying out of the plant, difficulties in connection with labour or staff, the misuse of labour or machine tools, financial or labour difficulties, or the existence of administrative obstacles, would be dealt with. Statistics would be furnished to aid industry in connection with munitions plants to show where production is behind. Any complaint could always be dealt with on the ground. This would show things up in the organization and administration and strategy of production.

I was glad to note that the hon. member for Davenport made such a fine speech the other day on the development of our resources. I read it in *Hansard*, and I have in mind a somewhat similar subject, namely the national coal supply and the use of an oil pipeline, brought up by me on May 3, 1929. I have had that subject of a national fuel supply before the house for many years. It is only in the last hundred years that science has discovered the power inherent in coal, oil and falling water. I believe the points raised by the hon. member were well taken, and that we should do everything we can to try to develop production of the

natural resources of this country along the lines indicated, including a pipeline to Ontario.

Mr. HOWE: In connection with shipbuilding I might give the committee some information which would be of interest. Tonight at midnight two west coast yards are each launching a 10,000-ton freighter. One of them was completed at the yard, in every way, in eighty days from the time the first piece of steel was laid for the keel. That is a record up to this date. Those two shipyards have just begun a three-shift, seven-day-week operation. They are the only two yards we have been able to staff up fully. I expect that later launchings will show a still shorter time of construction up to the point of launching. However, as I have said to the committee, we are at the present time delivering one ship, complete for sailing, every four days.

Mr. CASTLEDEN: May I return to the subject of housing? I am interested in this matter as a citizen of Canada, and as one who is interested in seeing that the people of Canada get value for their money spent. There is upwards of $30,000,000 I believe, being spent on this project, and it is only about half-way through.

After studying the matter I am of opinion that we are not getting value for our money. I went through several of these houses in different parts of Canada, and in every one of the cases the story is just about the same. I might cite an experience I had this last week-end when I visited some friends in St. Catharines. I went through a wartime housing project, and I gathered some facts. I took with me an experienced lumberman and a man who is a plumbing contractor. Both of those men know their business.

One of these houses is twenty-eight feet by twenty-four feet with no basement, no foundation. The frames which the minister talks about are laid on posts which are driven into the ground. The construction outside is asphalt shingle, and it is spun rock wool insulated in the walls. The inside of the house is gyproc board, and it was very poorly put on, shoddily built—

Mr. HOWE: Just a minute; is that my hon. friend's opinion or an expert opinion; and, if so, who is the expert?

Mr. CASTLEDEN: It is not necessary to give that.

Mr. HOWE: I have yet to know that these are shoddily built houses, and I cannot accept my hon. friend's word unless he gives authority.

Mr. CASTLEDEN: I will accept—

Mr. HOWE: I will not accept it. I know something about the plan of these houses, and I know the men who build them. The hon. member is giving an expert opinion.

Mr. CASTLEDEN: If you are—

Mr. HOWE: I suggest that the hon. member withdraw the term "shoddily built."

Mr. DOUGLAS (Weyburn): Withdraw nothing—ridiculous.

Mr. CASTLEDEN: I ask to be permitted to complete my statement. The evidence upon which I based the fact that this gyproc was poorly put on was the fact that the plaster supposed to be placed in the joints of gyproc was falling off.

Mr. HOWE: Give me the street and address of that house, and I will bring a photograph of it.

Mr. CASTLEDEN: I shall be very glad to do that on the minister's commitment that there will be no persecution or intimidation of the people who live in that house.

Mr. HOWE: The people who live in the house I am sure did not tell the hon. member what he has stated.

Mr. CASTLEDEN: I was in the house with the people.

Mr. HOWE: And they told the hon. member, did they?

Mr. CASTLEDEN: No; I saw the plaster falling off; I saw it on the floor.

Mr. HOWE: Why, then, would I intimidate the residents of the house?

Mr. CASTLEDEN: I know perfectly well it is not wise to give people's names in this house.

Mr. DOUGLAS (Weyburn): We have learned that by experience.

Mr. HOWE: Just a moment. Give me one name that has been used in this house, following which there has been persecution. People are using loose language over there in that section of the house, and I do not care for it.

Mr. DOUGLAS (Weyburn): The minister is using loose language himself, and I do not like it, either.

Mr. CASTLEDEN: I will give the minister the address, and he can have an investigation of the matter. I will be very glad to receive the report of the investigation. It is at 84 Grass street, St. Catharines. There is no furnace in the house; there is a furnacette, series DB. The plumbing, complete, as done by a private contractor—and this man estimated it—would be about $185. The contractors, as they are doing here, are putting up three or four hundred houses, and I should think that in large quantities it would be much less.

There was an electric heater in the kitchen tank, and the wiring was done without switches. There were pull sockets in the kitchen and bedroom. The floors in this house were finished with a poor grade of spruce. There was no fireplace in the living room, and no brick chimney. The outside of the house was asphalt shingle; there was no eavestrough, and there was an open porch. I have asked for a return showing the cost, but I have not received it. However, the average cost of these wartime houses runs between $2,500 and $3,200 in other places.

In the same city I went to another house which had been built by a private contractor under the national housing scheme. The people were living in that house. It was thirty-two feet by twenty-two feet. There was an 8-inch double brick wall, plastered on the inside, strapped and lath and plaster interior. The cellar was full size, with a 7-foot wall. There is a 10-inch cement block wall. There is a pipe furnace complete, valued at $165. The plumbing was of a superior kind, and the joints were hidden in the floor as they should be. They were not exposed, as they were in wartime housing building. There was a cement laundry-tub, a hot-water tank and a coil. There was a built-in bathtub, with shower. The wiring was complete, with double switches, centre lights, a nice fireplace in the living room, and a good chimney. There were double floors done in oak, and inlaid linoleum on the kitchen and bathroom floors. The outside was of rug brick and asphalt shingles. There was a cement walk and an outer porch. It was graded, and a lawn had been sown. I asked a number of people to compare the values, and one said that he would rather pay $3,500 for the house built under national housing than $800 for the house built by wartime housing. I have great respect for the minister's knowledge of construction. The construction company he headed has a reputation throughout Canada, but I think he is mistaken when he states that the houses built by wartime housing are built so that they can be taken down and the people can take them with them. He says that everything is demountable in sections, but perhaps I may be permitted to give my opinion. I cannot see how one would be able to take asphalt shingles off these houses. The floors are laid across the different sections, and they could not be removed. The salvage value of what would be left would not be very much.

This lumberman told me that the salvage value would be about $400. That is what he would bid if he were figuring on buying. I do not see how it can be said that they are demountable in sections when one would have to take up the floor, tear out the gyproc and take off the asphalt shingles. As I say, this lumberman estimated the value of the lumber in the house at about $400. If the price of these buildings is anything like the price of the rest of the houses—I have a question on the order paper to-morrow asking for the cost of these houses—I think it is time that the matter was investigated.

Probably the real explanation was given by the Minister of Labour who, I think, settled the matter when he said, first, that he had not lived in a house as good as these when he was first married. That has no bearing on what it is costing the people of Canada to put up these houses. Second, he said that he was a personal friend of the president who, I believe, is Mr. Pigott, a dollar-a-year man, and of the general manager, Mr. Goggin, who is receiving $10,000 a year as head of wartime housing. This wartime housing is a government company with the central managing point in Toronto, and it lets contracts to various contractors. I think the Minister of Labour put his finger upon the point when he said, third, that the main thing to look forward to at this time was that the construction industry should have a cushion after the war. I think it is far more important that the people should see that this administration gives value for the money expended. We should not be providing soft cushions for any industry at the expense of people living in homes like these.

Mr. HOWE: I think when my hon. friend said that he went through the houses with a lumber dealer he told the whole story. Naturally the lumber dealers are not fond of wartime housing because all the lumber is bought wholesale in carload lots.

Mr. CASTLEDEN: That should make it cheaper.

Mr. HOWE: It makes it so much cheaper that the local lumber dealers can not handle it.

Mr. CASTLEDEN: There was no competition. This man was an independent man; he was not interested in contracts, and he was not going there with that idea.

Mr. HOWE: My hon. friend said that he was a lumber dealer. I suppose he will not change his mind on that?

Mr. CASTLEDEN: I am not changing my mind on anything I have said.

Mr. HOWE: We will settle that he was a local lumber dealer.

Mr. CASTLEDEN: I said that he was an experienced lumberman.

Mr. HOWE: Not a lumber dealer? Surely my hon. friend should know whether he was a lumber dealer. He said he was a lumberman. What does a lumberman do? Does he deal in lumber?

Mr. CASTLEDEN: He understands lumber.

Mr. HOWE: Does he deal in lumber? Can my hon. friend say yes or no?

Mr. CASTLEDEN: Yes; he deals in lumber.

Mr. HOWE: All right, thank you. The construction of these houses are let by competitive tender. Every reputable contractor in the country has a chance to bid, and the contract is given to the low bidder. The materials are bought in carload lots at controlled prices. If my hon. friend cares to sit in on the committee on wartime expenditures he will find that the prices will be laid on the table. He will then see that they are very attractive prices indeed for materials. As I say, the materials are bought in carload lots with every discount that the trade can possibly stand. My hon. friend complains that his group is not allowed to attend this committee, but I have a note here which says—

Mr. DOUGLAS (Weyburn): The minister should not put words in my mouth and say that we were not allowed to attend the committee. I said that we had no representative on the subcommittee investigating wartime housing.

Mr. HOWE: I understand that you are allowed to attend and take part in the deliberations, and I am told that when hon. members found that it was not a public meeting, they left the subcommittee. That is my information.

Mr. DOUGLAS (Weyburn): I rise to a question of privilege. The minister ought to get his information from the same expert authority he has been demanding that other people should get theirs from. He certainly ought not to base remarks made in this house on notes handed to him unless he knows the note has some basis in fact. This group have never left any committee. I should like to point out to the minister that we have only one representative on the wartime expenditures committee, and there are three subcommittees. Consequently we have only a representative on the one subcommittee, No. 3, and we have no representative on subcommittees Nos. 1 and 2. Any hon. member may sit in on the committee, but we have no representation on those two subcommittees.

Mr. HOWE: Nevertheless the first speaker attended the committee.

Mr. DOUGLAS (Weyburn): He is not a member of the committee.

Mr. HOWE: He attended for a while.

Mr. DOUGLAS (Weyburn): He attended one or two meetings, but it was made very clear to him that if he attended any sittings in camera he was bound to secrecy regarding information given there when discussing matters such as the one before this committee now. The point I want to make to the minister is this: He says it is up to the committee on war expenditures to investigate these prices, but our group has no representation on that committee. Despite the promise of the Prime Minister that the membership of that committee would be increased, the supporters of the government, eighteen out of twenty-four, turned down a motion moved by the hon. member for Bow River (Mr. Johnston) to increase the size of that committee so that we might have representation on the subcommittees. The only place where we can get any information in connection with wartime housing is in that committee because we have no representation on the subcommittees investigating the matter. We have never left any committee at any time, nor have we refused to sit on any committee in the discharge of our duties.

Mr. GOLDING: I think the hon. member for Weyburn (Mr. Douglas) wants to be fair with the members of this committee and with the members of the committee on war expenditures. That committee was set up on the same basis as all other special committees are set up. I understand that there were eight special committees sitting to-day, and there are eight or nine cooperative Commonwealth Federation members. As hon. members have said time after time, it is simply impossible

to attend all these special committees, the three subcommittees of the war expenditures committee and the sittings of the house.

Mr. DOUGLAS (Weyburn): We will take care of that.

Mr. GOLDING: My hon. friend appreciates that. With reference to the hon. member for Mackenzie (Mr. Nicholson), he was invited to sit in. We were glad to have his opinion and he was permitted to ask questions. When the committee decided to sit in camera the hon. member withdrew, as it was his privilege to do. I do not think he felt that he was being treated unfairly by the committee. He had every opportunity of sitting there and listening to the evidence given and the questions asked in connection with this matter now being investigated by that committee. We hope to bring in a report on the matter.

The ACTING CHAIRMAN (Mr. McCann): We are entirely out of order in discussing the work of a committee before it has presented its report.

Mr. GOLDING: I quite appreciate that, Mr. Chairman, but it is unfortunate that you did not call others to order before now.

Mr. NICHOLSON: I should like to ask the minister about the policy followed to fix the rentals of these wartime houses. I have here a dispatch which appeared in one of the Ottawa papers last month, reading as follows:

> Replying to aldermen who alleged that rentals of Wartime Housing, Limited's houses in Hull of $30.20 a month are too high, Mayor Brunet said last night the reason was that representations were made to rent them at that figure to wartime housing officials. The representations were made so as to protect Hull property owners.

Are these rents fixed to protect property owners, or are they fixed on a basis of retiring the government investment over a period of five or ten years, or just what policy is followed in deciding that the rent shall be $30.20 a month? I understand the house has four bedrooms.

Mr. HOWE: It is not a four-bedroom house.

Mr. NICHOLSON: The only houses that are being rented in Hull are, I understand, the four-bedroom houses. The others, I understand, are not yet completed. Anyway, the press report says that the rent is $30.20. What policy is followed in relation to the item which I read?

Mr. HOWE: My hon. friend is not correct. The standard four-room house is—

[Mr. Golding.]

Mr. NICHOLSON: It is a six-roomed house. I said four bedrooms.

Mr. HOWE: The six-room house is rented at $30. Of the four-room houses, what we call the smaller four-room is rented at $22, the larger four-room at $25, and the six-room house at $30. These amounts were fixed on the basis of reasonable amortization of the cost, but were lowered somewhat to be in keeping with the average salary paid to the class of tenant that we get. It is somewhat below the amount required for amortization.

Mr. NICHOLSON: When the original order in council, P.C. 1286, was passed on February 24, 1941, it contained this provision:

> Such agreement shall have no effect until it has been approved by the governor general in council; and upon such approval the company may exercise the powers and shall discharge the duties set forth in such agreement; and also may exercise and shall discharge such other powers and duties as may in such order in council, or from time to time be conferred or charged upon it by the governor general in council.

On the 24th of April another order in council was passed adding:

> or by the Minister of Munitions and Supply under the authority of the Department of Munitions and Supply.

In other words, when the first order in council was passed it must have been thought desirable to refer these agreements to the governor general in council. Later, that position was reconsidered, and apparently they just refer them to the Minister of Munitions and Supply. Why the change in policy?

Mr. HOWE: As projects are approved, each individual project is approved by order in council and the appropriation is made. As a matter of mechanics, the individual contracts are signed by munitions and supply. It is thought unwise first to get the project approved and then go back and get the individual contracts approved. Personally I see nothing sinister in that; if my hon. friend does, perhaps we shall change it back again.

Mr. NICHOLSON: I am merely asking for information. I think I am entitled to it.

My next question is this. Section 4, paragraph (c) of P.C. 1286, reads:

> (c) it may draw upon the personnel and upon the economic and other technical resources relating to housing presently available in the government service, and in particular shall utilize the services of the housing branch of the Department of Finance.

Valuable work has been done in this field by the national housing administration, by the Department of Pensions and National Health, and by the national research council. The research work done over a period of

years could be made available for wartime housing, and particularly they should use the services of the housing branch of the Department of Finance. I find that the later order in council, P.C. 2842, deletes this paragraph. What was the reason for the deletion?

Mr. HOWE: A considerable part of the staff of the national housing branch was moved in with wartime housing. They seemed somewhat unhappy about the arrangement, and gradually drifted back to Ottawa, and I doubt if any of them are left. But such information as was at hand was supposed to be placed at the disposal of wartime housing, and I daresay it was.

Mr. NICHOLSON: My information was that no advantage had been taken of the work done by the national research council, or by the Department of Pensions and National Health. I know that similar information can be obtained, over a period of time, but it seems to me that the provision in paragraph (c) of section 4 was a valuable one, enabling the company to "draw upon the personnel and upon the economic and other technical resources relating to housing presently available", and I cannot see any good reason why, on the 24th of April, it was decided that they should not take advantage of that information.

Mr. HOWE: I am sure they have drawn on all the information that could be of any value to them. The question was thoroughly studied. Mr. Somerville, one of the directors, is an architect of wide exeprience, who has always interested himself in housing projects. The other directors are men of considerable experience, and I know that in the course of their work they have consulted not only our own institutions, but various authorities in Washington and elsewhere. I believe that no lack of study has been given to these houses.

Mr. GREEN: Perhaps we can take up another subject for a few minutes. The minister has made statements which would lead one to believe that the government is now thinking of embarking upon a policy of finding oil in Canada. Of course the reason is quite easy to see: there is a great shortage of oil.

Mr. HOWE: There is no change of policy.

Mr. GREEN: Could the minister explain in what way the government proposes to carry out that policy? For example, does the minister propose to encourage private companies to do the exploring for oil and to undertake the research work, or will such companies be subsidized by the government, or is it the intention that the government itself will drill the wells and take whatever other steps are necessary to try to find more oil in Canada? That is one question I should like the minister to answer.

Another is with regard to power. He told the committee last year that it was not the policy of the government to aid in the development of power. In the intervening period, I believe, some assistance has been given to certain power companies in the way of allowances for taxation purposes. I do not know whether that has been done extensively, but I understand that it has been done in some instances. It would be of interest to the committee to know the present policy of the government with regard to power.

The third question has to do with shipbuilding. The minister said the other day that we are launching a merchant ship every four days, and that he hoped that the programme would be accelerated until we were launching a ship every three days. Of course, this merchant shipbuilding is of vital importance to the united nations, and it would seem to be a matter of going the limit—we must build every ship we possibly can. Is it the intention to provide more berths in the present shipbuilding yards, or are new yards to be developed, or what is the policy of the government with regard to the extension of the shipbuilding industry?

In that connection the minister might explain the new government company which has been set up to take charge of the operation of these ships. I think it is called Park Steamships Limited. It would be interesting to know the details as to just what that company is supposed to do, whether it is to operate all the ships that are being built, or whether some are to be turned over to Great Britain. Can the minister give us a report on the developments that have taken place recently along that line?

Mr. HOWE: It has not been the policy of the government to date to invest directly in the development of oil. We have encouraged drilling by permitting a write-off of development expenses of a well before the earnings of the well become taxable, and that has been a stimulant to drilling. We have extended the work of the geological surveys. The government is now in partnership with the government of New Brunswick and is making a thorough investigation of the oil shale deposits in that province. Conversations are going on with regard to the development of the Peace

River area of British Columbia. The government of that province undertook some time ago to develop this field with public funds.

Mr. GREEN: They are still drilling.

Mr. HOWE: They are still drilling, and it seems to us that while it is a sound way to proceed, perhaps it is too slow to meet the present situation and we are suggesting other means of doing it. We have not arrived at any conclusion, for which reason I will not say much about it. As regards the Alberta tar sands, I do not know whether I can announce a policy at the moment. This field is being thoroughly studied, and we hope to formulate a policy after we have determined what the problem is. There has been a small pilot plant operating on the tar sands, but its operation has never been wholly successful. There are several problems there which have never been worked out in a way to encourage development on a large scale, and one of the principal difficulties is the mining of the sands themselves. That is being extensively studied, and I hope that before the middle of June we shall have a report on it which will enable the government to evolve a policy. The path seems fairly clear, and it is reasonably certain that the government investment will pay, or at least that we shall get something worth while. We may, in the case of the tar sands, invest directly in the development. I offer that as a possibility only, because no decision has been arrived at and the complete facts are not available at the moment.

Mr. STIRLING: Considerable survey work has been going on for a long time.

Mr. HOWE: Yes; but the problems have not been worked out. The use of the pilot plant is to help to develop a satisfactory operation which will warrant large scale developments, and while that plant has been in operation there are a good many problems that require further development before a large scale plant will be warranted; that is, a plant running into tens of millions of dollars.

Mr. MacNICOL: It produced 17,000 barrels last season.

Mr. HOWE: Yes; but that is not very much oil.

Mr. GREEN: That large scale plant would have to be financed by the government?

Mr. HOWE: Probably.

Mr. JOHNSTON (Bow River): Is the plant at Alexander being operated on an economic basis?

[Mr. Howe.]

Mr. HOWE: It was burnt down, but my information is that it was never operated on an economic basis. It is a pilot operation. I may say incidentally that a plant of that size has a much better chance of being on an economic basis because the output would be used on the ground. A large development involves transportation to rather distant centres to find a market.

Mr. KINLEY: Has the minister taken into consideration the oil shales in Nova Scotia?

Mr. HOWE: We have not studied the shales in Nova Scotia, but we have been studying intensively the oil shales in New Brunswick and, if the results are favourable, we shall look farther on.

Mr. KINLEY: Years ago I was a member of the Nova Scotia government, and it was being considered by the department there.

Mr. HOWE: We have that in mind for further study. In the matter of depreciation on power developments, I would point out the wartime depreciation board does not come under my jurisdiction. What write-offs there have been, I do not know. I know of no direct capital assistance to power development. I do not know of any write-offs except in the case of the development of the Aluminum Company of Canada, worked out in conjunction with aluminum contracts.

Mr. GREEN: Consolidated too.

Mr. HOWE: Yes; they got a write-off from the wartime depreciation board for development incidental to their work, a development that could not be justified as an ordinary peace-time operation, but which was valuable to the war effort. Ordinarily we have not gone extensively into the development of hydro-electric power.

Mr. GREEN: What is the situation in regard to power?

Mr. HOWE: All available power is all being used. Every spare kilowatt in Quebec is being taken to Arvida to make aluminum, and that will continue to be the situation. There is no shortage at the moment, but next winter we shall be short of power. Any worth-while hydro development usually takes two years to construct, and we are bringing in about one million horsepower for the next twelve or fourteen months; but even that is spoken for. We shall continue to use every kilowatt we produce, and we shall still be short.

Mr. GREEN: Are there any plans for developing more power?

Mr. HOWE: Plans are under way, but not by this government. I have seen an announcement of the Ontario government's scheme, and there are plans for increasing developments at Beauharnois, Shawinigan and one or two other points. I have forgotten what my hon. friend's question was with regard to shipbuilding.

Mr. GREEN: I am not clear whether the government proposes to expand its shipbuilding programme. If it is to be expanded, is it to be done by building new berths in the present yards, or will new yards be developed, or what is the scheme for expanding the shipbuilding industry?

Mr. HOWE: The industry is constantly expanding. We never close the door on any industry; we are always expanding. We have laid keels in a new six-berth yard within the last week or two in Montreal. We are expanding berths at Vancouver island, and we are also bringing in new berths at Pictou and Sorel. We attempt to fully staff one yard before we start on the next. We have made mistakes; we have opened new shipyards too soon. Once a yard is fully staffed and on a full-time basis—we have only two yards in the country on that basis—it may be worth while to start another yard; but while a yard in a locality is expanding, it is not considered good business—and we were so warned by experts from the United Kingdom—to start another yard. We are expanding at the moment. We have in mind expansions for the future, but no definite plans. Future expansion will depend on how soon we shall be able to fully staff existing yards.

Mr. CASTLEDEN: Can the minister give the number of wooden ships being built, boats and vessels, and so on?

Mr. HOWE: The debate seems to have become a general discussion of wooden ships. I thought what we were discussing was wooden cargo ships. It depends on what you call a ship. We have built some 14,000 since the war began, beginning with lifeboats, rowboats, motor launches and up to wooden mine-sweepers, wooden Fairmiles and all sorts of wooden naval craft. But of wooden cargo ships the number built is zero.

Mr. CASTLEDEN: I was thinking of the smaller boats.

Mr. GREEN: What is the situation in regard to wooden mine-sweepers? Is the government building them up to the capacity of the yards, or is it simply a case of ordering a limited number?

Mr. HOWE: We can hardly build to the capacity of the yards unless somebody is prepared to man the boats when built. The department does not just run wild on a particular type of boat. If, during the next eight months the plan is to train men for, say, twenty boats, we build the twenty boats. Britain may ask us to build fifty for them; we do it. We sell some to the United States. But we cannot build ships just to build ships, except merchant ships; they are a recognized standard type and we are building them as fast as we can. But that is the only type that one might call a readily saleable commodity.

My hon. friend asked about the Park Steamship company. The government is building a number of ships for Canadian operation. It is intended to follow the practice followed in Britain; the government will own the ships, place them for operation in charge of steamship lines that are operating boats in the particular service. For instance, boats to Australia we place for operation with the Manx line; if they are operating to south Africa we would put them perhaps with Furness Withy, or whoever happened to be operating there. The steamship line is paid a small fee for operating the ships and they are operated for the account of the government. All the earnings are paid to the government. The Park Steamship company accepts ownership of these ships on behalf of the government and assigns them to the various lines, attends to the accounting and protects the interest of the government in the operation.

Mr. GREEN: The government itself will not be operating any of these ships?

Mr. HOWE: No.

Mr. GREEN: They will all be operated by private firms?

Mr. HOWE: That is right.

Mr. GREEN: Are all those merchant ships to be Canadian ships, or are some to be turned over to Great Britain?

Mr. HOWE: We are building quite a number for the British government, some for the maritime commission of the United States and some for Canada.

Mr. GREEN: Would it be disclosing information that should not be disclosed if the minister told us the number for Great Britain, for the United States and for Canada?

Mr. HOWE: I would rather not do that. By mutual arrangement we do not disclose any figures in connection with business with the United States. I think it would be unwise. All

I can say is that we are building all the ships we can; we are keeping for Canada as many as we think we can get Canadian crews for, and disposing of the others.

Mr. GREEN: Is there anything in mind as to what should be done with those Canadian boats at the end of the war, or is that looking too far ahead?

Mr. HOWE: I think it is. I do not know what the policy will be. We hope to have them considerably written down by earnings during the war. We may turn them over to the Canadian government merchant marine, or leave them in private hands, or dispose of them outright to private companies. I suppose that is a situation which must be left to the government of that day.

Mr. GREEN: The lines the minister mentioned as operating these ships are not Canadian lines?

Mr. HOWE: No; so far as I know, there are no Canadian lines except the Canadian Pacific.

Mr. GREEN: So that at the moment they are practically all being operated by lines owned in other countries?

Mr. HOWE: That is right.

Mr. McNIVEN: About two years ago the Saskatchewan government entered into an arrangement with two joint stock companies to search for oil in Saskatchewan. By virtue of that agreement these companies undertook to spend a certain amount of money, about $400,000, in a seismographic survey of Saskatchewan for oil. I believe that a substantial part of that sum has been expended during the past two years, and that some showings or evidences of oil deposits have been discovered. Within the last few weeks drilling for oil with the most modern equipment obtainable, has commenced at Ceylon, Saskatchewan, and at Radville, Saskatchewan. I believe that the survey for other showings of oil is continuing.

I should like to know from the minister whether, being familiar with that survey and that development, he is satisfied that sufficient progress is being made. I should also be glad to know whether, being familiar with other outcroppings or possibilities, the government would undertake to give some assistance? At a point thirty miles south and a little west of Regina a well was sunk to a depth of 2,500 feet and was not drilled further on account of lack of funds. That well was located as a result of advice from eminent geologists both in this country and across the line. Again, showings of gas have been found at Shaunavon in southwestern Saskatchewan, at Riverhurst on the Saskatchewan river, at Unity in northwestern Saskatchewan, at Church Bridge in northeastern Saskatchewan; two wells have been drilled at Simpson, ninety miles north of Regina, one to a depth of 3,300 feet and the other to a depth of about 2,000 feet, and I believe a number of wells have been drilled on the Alberta-Saskatchewan boundary around Lloydminster. There is a substantial showing of gas and production of low gravity oil. Would the minister consider favourably governmental assistance in finding out whether there are substantial oil deposits at those points?

The minister also referred to an anticipated shortage of power in the coming winter. I understand that in the immediate future Neon lights and other users of electrical energy for purposes not regarded as essential will be substantially curtailed. I gather from what the minister has said that the power development on the Saguenay river will all be required for undertakings now under way. I understand also that it will take about two years to develop the Carillon site in Ontario. Would the minister favourably consider developing the lignite coalfields in Saskatchewan as a source of power? There are twenty billion tons of coal, and that is a lot of coal. The overburden varies in depth from forty to one hundred and fifty feet, and for some ten years now that coal has been mined as a steam shovel proposition. The overburden is cleared by a steam shovel; the coal is picked up by a steam shovel, loaded on flat cars and taken to a plant where it is sized. At the mine mouth an electrical plant has been in operation for ten years.

Mr. REID: What grade is the coal?

Mr. McNIVEN: It is a lignite coal, with from 7,400 to 7,800 b.t.u. Compared with Alberta or British Columbia coal it is not as good commercially, but power is developed there, and I understand it can be done very cheaply. I understand further that in the United States there is a surplus of steam equipment for producing electricity, due to the fact that many hydro plants have been brought into operation recently as a result of undertakings in the United States, and these steam plants have been discarded. I do not profess to be an electrical engineer; my knowledge of the subject is most superficial; but I appeal to the minister, who has a practical knowledge of matters of that kind, to learn whether a steam plant of large proportions could not be constructed in Saskatchewan in much less time than would be required for the construction of a hydro plant.

May I assure the minister that if such an enterprise were to be undertaken it would have a definite post-war use. What is most urgently required in Saskatchewan is a large head of power that will be available as an inducement to industrial enterprise to come to that province. As hon. members know, ours is a badly balanced economy, and anything the minister can do consistent with Canada's national war effort to help us to balance our economy will materially assist in settling a very serious post-war problem.

Mr. FRASER (Peterborough West): Is the minister going to have the government do the boring for oil in the Peace River district or, if not, who is going to do it? While I am on my feet I should like also to ask the minister if the government has any intention of constructing an industrial alcohol plant for the production of alcohol to be used together with gasoline. I understand that this is done in England and Australia, and that there is a plant in Detroit producing over 12,000 tons a day. Have we any idea of doing anything along that line?

Mr. HOWE: The government has not developed any oil wells, and I hope it will not be necessary for it to do so while I am minister, because my hon. friend has indicated the difficulties of a minister who undertook to finance oil wells. Of course in time of war the government would not be justified in drilling in anything but a proven field. We are after materials in a hurry, and naturally in spending government money we cannot take too many chances. We do encourage oil companies to drill because they have the experience and the equipment. We have encouraged them, as I say, by tax concessions, with which the committee is familiar. So far we have not gone beyond that. We are very much interested in the Peace River section of British Columbia. We need oil in northern British Columbia, and the reports indicate that the possibilities there are very good. I do not know what we will do, but certainly it will not be a direct government effort, and I doubt whether we shall subsidize a private company. However, we do hope some arrangement can be made to speed up the exploration of that area.

Mr. MacNICOL : May I ask the minister if at the same time the department is going to look into the oil possibilities at the town of Peace River? Away back in 1921 they had producing wells there but for some reason or another, whether the wells were damaged or interfered with in some way, those wells were capped. That is not very far from the Alaska highway, either. I am told on the best authority that there is oil at the town of Peace River, and last summer I saw the old wells that were there; I think there are five or six capped wells.

Mr. HOWE: We have nothing in mind in that direction. At the moment we are particularly interested in getting all we can out of Turner valley; we are extending the operation at Fort Norman; we want to have a very good look at the Peace river section of British Columbia, and we are making a very thorough examination of the oil shales of New Brunswick to determine their extent and the development that will be necessary. I think that is the extent of our oil explorations at the moment.

Mr. MacNICOL: And the oil sands also.

Mr. HOWE: Yes, the tar sands; we are going into that very thoroughly, to see what is required there.

With regard to the matter of power, as I have explained we have not invested any money directly in power plants. Two cases have been mentioned to-night in which special depreciation has been authorized by the wartime depreciation board, due to special circumstances, but I do not think the government will invest directly in power plants. I am well aware of the lignite coal situation. I promised the house that we would use a certain amount of lignite coal in our explosives plant at Winnipeg. I tried to buy some this winter, but was unable to do so. I was told by the fuel administrator that this coal was not for me, that it was too badly needed in other places. But I think I can guarantee to take all the coal that can be produced in that area. To build a power plant there, however, would be to overlook a number of other situations that are urgent. Just as in connection with drilling for oil, a government policy of building power plants hither and yon would be a very difficult policy to administer. I think the government will avoid direct investment in power plants. Was there another question I have overlooked?

Mr. FRASER (Peterborough West): Industrial alcohol.

Mr. HOWE: We are producing considerable quantities of industrial alcohol. We are not using it for high test gasoline; we are using alkylate, which is also a petroleum product. We have three large alkylate plants under construction, with one at Calgary nearing completion, but, as my hon. friend knows, industrial alcohol is used in a great number of war operations. We are using a very considerable part of the distillery capacity

of this country to produce industrial alcohol. We will continue to do so, and will continue to expand the operation as the demands increase.

Mr. REID: I should like to ask the minister two questions, one having to do with gasoline and the other with rubber. Gasoline rationing is now in force throughout the country and, generally speaking, I think it has been well received as long as it is applied fairly. But I am wondering if any restrictions have been placed on cities and municipalities to prevent the use of gasoline and oil in the construction of new roads. I am not citing this particularly against the city of Ottawa, because I think this is general throughout the country, but I notice that in connection with the asphalt pavement to be laid in the Riverdale section of Ottawa, it is estimated, according to the Ottawa *Citizen* of Friday, May 15, that 10,000 gallons of gasoline will be used in the construction of that new piece of asphalt pavement. I may be wrong, but I should think that asphalt pavement will not be in such great demand in the future, because the cars will be fewer in number. It will cause a great deal of heart-burning among those who are curtailed in their use of gasoline, if they see cities and municipalities extending their road-building programmes, and using gasoline and oil in connection therewith. Is there any restriction on cities and municipalities? Have they been prohibited from entering upon extensive programmes?

Mr. HOWE: Yes; there are very severe restrictions. My hon. friend is receiving protests about the use of asphalts, and I am receiving protests from cities which would like to use tarvia. However, they are not permitted to do so, because restrictions are severe with respect to the use of petroleum products on roads. I was surprised to read that asphalt pavements are being laid. I had thought that was prohibited, but I may be wrong. I shall be glad to get the regulations and advise my hon. friend as to what the prohibition is. But tarvia, and products of that kind, cannot be used.

Mr. REID: A regulation is in effect, I believe, whereby those having two spare tires have to report the same to the wartime prices and trade board. A request came in to me the other day, and when I made an inquiry from Mr. Williamson's office, who is in charge of rubber control, I was told that a party having two spare tires would have to report to the wartime prices and trade board. My question is this: I am wondering where this overlapping is going to lead. The wartime prices and trade board have control of the handling of rubber. In a notice issued to-day the whole question of tire rationing is set out. I should like to know what anyone in the wartime prices and trade board has to do with looking after tires. I thought their duty was in connection with prices of various articles. I am pointing out to the committee that we had better keep our eyes on some of these boards, because if you give them an inch they will take ten miles.

Mr. HOWE: The wartime prices and trade board has charge of the control of peace-time articles, whereas the wartime industries control board deals with strategic materials for war, and the materials necessary for war production. The tire situation is rather involved. Of course rubber is a strategic material for war. It is under the jurisdiction of the controller of supplies, who is attached to the Department of Munitions and Supply. But the enforcement of the regulations has been turned over, by arrangement, to the enforcement officer of the wartime prices and trade board. This board has an enforcement department represented in all parts of the country, under the direction of Mr. McGregor. The enforcement of the rubber rationing regulations is carried out by that branch of the wartime prices and trade board.

The regulation as to trucks is, by arrangement, handled by the wartime prices and trade board—by Mr. Stewart. The regulation of buses, strangely enough, is handled by the transit controller in the Department of Munitions and Supply. There are reasons for each of these divisions. Perhaps one reason why trucks were regulated by the wartime prices and trade board is that I was once bitten and twice shy, and I was not anxious to undertake that branch of control. However, there is a pattern to it, and it seems to be working reasonably well.

Mr. BROOKS: I was pleased to hear the minister say that they are investigating the oil shales of New Brunswick, and that there would probably be some developments there. It seems unfortunate that it took a war to bring about those developments, because we have known in New Brunswick for a great many years that we have rich oil shale in that province.

The minister also stated that it was not his intention to develop power plants. I had intended to ask if he would consider enlarging the power plant at Grand Lake in New Brunswick. I understand that one reason why we have not more industries in New Brunswick is our lack of cheaper power, and I believe

this plant could have been developed. An extension could have been made very cheaply and, in justice to my province, I believe we should have more developments there, more munitions plants and other war activities.

However, it was not my intention to speak particularly along that line to-night. There was another matter I wished to bring to the attention of the minister. I believe we have now exhausted the subjects of housing, wooden ships and oil. We have also discussed the scarcity of rubber, metal and other commodities, and have considered the provisions being made to see that enough is salvaged for our war needs.

I wish now to ask the minister some questions regarding the scarcity of paper in this country. I would ask first whether there is a scarcity of newsprint and paper? I ask this question knowing the great effort that is being made, from one end of the country to the other, to salvage paper. In every city and every town school children and organizations are gathering up scrap paper. I know that in military camps we are instructed to collect all paper, and as a result every little scrap of paper is collected and saved. I wish the minister would tell us the situation in Canada regarding this commodity. It does seem strange that while we are spending so much time salvaging paper in Canada, we do not seem to have any curtailment in the use of newsprint. I have not noticed that our newspapers are cut down in the quantity of paper they are using. When one buys the Saturday editions of newspapers he will find that they consist of forty or fifty pages, and I believe that in war time five or six pages would be sufficient. It is a strange anomaly that every schoolboy in every community is being asked to salvage paper, while at the same time we permit this great waste of paper throughout the country. I believe the government is setting a good example in many cases by using both sides of paper in its correspondence. Orderly rooms at military camps are instructed to use both sides of the paper in preparing their orders. Everything is being done to try to save paper, and we are told that such saving is necessary because paper is scarce.

Another matter which might very well be mentioned at this time is the export of paper from Canada. If there is a scarcity of newsprint, why is it that a paper such as the Chicago *Tribune* can have exported from Canada thousands of tons of paper used in the publication of that newspaper which, as hon. members know, was anti-British before the United States entered the war? It never loses an opportunity even now to disparage our own Canadian effort in the war. It disparages the efforts of Great Britain and of the whole British empire, and still we in Canada are exporting a commodity which must be scarce. If it is not, then why do we have these provisions for the collection of salvage and scrap paper?

These are questions I should like the minister to answer. I have hesitated to bring them to his attention at so late an hour in the day. After such a long and trying day, however, possibly these questions will appear much easier to answer than some which were propounded to him this evening.

Mr. HOWE: Yes. As a matter of fact I have enjoyed the discussion very much. I am glad to give what information I can on the subject. I think there is a misunderstanding as to why campaigns for the collection of paper are necessary. This is not done because of a shortage of newsprint for the purposes for which newsprint is usually used. As a matter of fact there is spare capacity for the production of newsprint, because some of our mills are working only four or five days a week. But there is a great need for pulp or rough cardboard, wood pulp pressed into sheets for the packing of shells and finished rounds of ammunition. Newspapers or paper of any kind are just as good for that purpose as pulp made from newly cut timber. It is really to save a drain on our lumber mills and to prevent waste that we are collecting newspapers and using them for that purpose. I do not know whether there would be a shortage of paper if we had to use freshly cut pulp for packing shells, but there very likely would be. At the moment we are able to fill our own needs for newsprint, satisfy the export demand and still have some surplus capacity. Nevertheless I want to impress upon all hon. members that the salvage campaign for old paper is well worth considering.

As far as writing paper goes, there was a shortage of that at one time and it may still exist. I believe the campaign to use both sides of a sheet of paper for official documents is worth while, and I think it will carry on after the war. I see no reason why we should write only on the one side of a sheet of paper, and I think this habit of thrift is well worth cultivating.

As far as the oil shales of New Brunswick are concerned, my hon. friend probably knows that they were under private control for a long time. It was only after they were restored to the control of the province that it was worth while for governments to spend considerable sums of money investigating them.

Mr. MacINNIS: There has been a great deal of discussion to-night about oil shales. Among the many other things that we have in British Columbia are some deposits of oil shale. I brought the matter to the attention of the minister who brought it to the attention of the oil controller. He wrote me to say that he had investigated it last summer when on the coast, and he did not think there was very much in it. However, apparently some one in the department has changed their minds since then because I have a letter from the assistant oil controller asking me where further information can be obtained. I am glad to know that this matter will be investigated.

In connection with gasoline I agree with what was said by the hon. member for Cape Breton South (Mr. Gillis), that we should accept these restrictions, not reluctantly but with good grace in order to assist the government to conserve gasoline for the purposes we have in hand, and that none should be wasted for pleasure purposes while there is a need for our war effort. One of the difficulties that I find in getting people to see the necessity for saving gasoline is the fact that the regulations do not seem to operate equitably. I have received several letters about this, and I have one from a man who has a light delivery truck. He tells me that he has a wife and four children and, since he cannot afford a private car, he takes his family out in the truck on Sundays to the beaches or other places. It was intimated to him that he could not use his truck for driving around on Sundays, that he might have his permit cancelled if he did so. He feels rather badly about this. He states that if he could afford a private car he could get a category A card for it and use it on Sundays. He enclosed the letter he received from the regional office manager for the oil controller in Vancouver. This letter was most reasonable, and I think I should read it. It reads:

> I have your letter of April 30 and although as yet there are no specific regulations which prohibit the use of your panel delivery truck for personal driving, I must point out to you that the commercial category books have been assigned to you for commercial purposes and in view of the serious shortage of gasoline you are not expected to drive such long distances as from here to White Rock and return for private purposes any more than the owner of a passenger automobile.

Are owners of private automobiles going to be restricted from driving long distances? Of course, if they do drive long distances their ration cards will not go so far. If some way could be found whereby people who cannot afford a private car, or two or three cars, can be made to feel that they are not being discriminated against while other people in better circumstances are allowed their ordinary pleasures, I think it would be much easier. I do not know just how that could be done, but if it could be done it would help a great deal.

I should like to say a word on the matter of saving paper. I think a great deal of paper would be saved if there were less advertising. There is a lot of what appears to me to be the most useless kind of advertising, and I am sure it comes to every hon. member in reams. I have before me an advertisement by the Firestone Rubber company. They have no commercial rubber to sell because I imagine the government takes it all for war purposes, but yet here is a most expensive advertisement, on expensive paper in colours. This all takes time and materials; it needs skilled labour to produce, and it seems to me that we are not putting everything into our war effort when we allow what appears to be waste. I saw an article recently, I think it was in the *Financial Post*, to the effect that the Aluminum Company of Canada, although it did not have a pot or a pan or any other article of aluminum to sell, had provided an appropriation of $1,000,000 this year to advertise these articles. I also have under my hand a full-page advertisement by Dominion Foundries and Steel Limited, Hamilton, Canada, which appeared in the *Financial Post*. These people do not need to advertise their wares at the present time. It takes time and it consumes materials to put out such advertising. There are many ways that we have not touched yet in which we can save waste and add to the efficiency of the work we have in hand.

Mr. HOWE: Mr. Chairman, every effort is being made to eliminate unfairness in rationing. I was told—in fact the gentleman concerned himself told me—of a motorist who was driving out of Toronto some time ago when he was stopped by an enforcement officer, who asked where he was going. He said he was going fishing. Where was he going? He gave the destination. The enforcement officer asked to see his category, found that he was in category C, and pointed out to him that that was a business category for business purposes, and that if he could go fishing on that category he did not need a C rating. The next day his book was exchanged for a category A book.

We are trying to bring all those who use their cars for pleasure into category A. In

fact it is quite possible that there will be a category lower than A for people who use cars exclusively for pleasure. We are trying to eliminate unfairness; that is, we are not giving high categories to people who do a good deal of pleasure driving.

Whether we like it or not, pleasure driving is going to be a real luxury. Gasoline is for those who have a real use for it in connection with the war effort. We are going to try to take care of people who must go to war plants; business executives; producers in the war effort, such as farmers, and other people who have a real need for gasoline. But the man who simply drives from here to there for pleasure is going to be without gasoline shortly.

So, I think, my hon. friend's acquaintance who had the truck was simply getting the same kind of treatment that the man in a business category who is using his car for pleasure is getting as the enforcement officers catch up with him.

Mr. ROSS (Souris): What about the man with two cars in the family? I suppose that will be checked, too. I know of people who have two cars in a single family, and while I doubt whether their business entitles them to better than category 1A, through some agency they have obtained category C.

The other day I asked for an extension of the hours of sales of gasoline to farmers. I am pleased that the minister announced to-day that this request had been granted.

I also spoke of a certain oil company—I think I had better mention that it was the British-American—trucking their own products from Moose Jaw through southeastern Saskatchewan and southern Manitoba. Since I spoke on this matter I have had a letter from the secretary of one of those towns pointing out that in twenty-four hours ten very large trucks with trailers went through that town. He estimated that those trucks used fifty gallons a day; they had very heavy tires on their trucks and trailers, and they were paralleling a railway line. The Canadian Pacific railway agent there tells me that they can obtain tankers along that line. Also the man-power situation comes into the matter, because each of those trucks requires a driver, whereas the use of a tank car on the railway would eliminate that. To what extent this practice is carried on I do not know, but it is a serious wastage. Further, it sets a bad example to the people in those towns, who wonder why they should curtail their own small supplies while those companies are allowed to carry on in this way. I trust the minister will look into the practice and prohibit it.

Mr. HOWE: The matter of trucking oil was mentioned in this chamber a while ago, and at that time I sent a marked copy of *Hansard* to the controller for his action.

Mr. DOUGLAS (Weyburn): I wish to associate myself with the hon. member for Regina City in the excellent appeal he made for our province with reference to having a part to play in the economic aspect of our war effort. The hour is too late for me to say very much about the matter now, but it seems to me that there are two factors to which some attention might be directed.

The first is the one he has mentioned, and to which the minister has already replied—the possibility of developing power, either in the north, where we have considerable water power, or in the south where there are very large coal deposits. I can appreciate the point of view expressed by the minister. Nevertheless there is a strong feeling that a greater use could be made of the industrial resources of the prairie, rather than draining off the population, as has happened in the last year or two.

The other factor in the contribution which we might make has to do with the bits-and-pieces programme of the department. The minister has not made any detailed statement on it, and it is too late to-night, but I wonder if he would do so to-morrow. This afternoon he made a statement with reference to garagemen. He said that provision would be made for the type of establishment which was equipped to do something. My understanding of the set-up does not lead me to believe that that is taking place. Mr. Pyne, who has been handling the subcontract coordination branch in Winnipeg for western Canada, does not, I understand, place subcontracts direct from the government; he acts as a sort of employment agent for firms who have contracts and want to know of people who can take subcontracts. He does not place contracts; he only directs firms which have contracts to people who might take subcontracts. I believe that they are not making full use of the people who could be doing more in our bits-and-pieces programme. I am not going to take time to elaborate that to-night. I know that a survey was made of the provinces of Manitoba and Saskatchewan. When I was west I saw a copy of the survey. I hesitate to quote from it from memory, but I believe there are 277 machine tools which were listed in the two provinces and which were not being used.

They would, of course, vary in size. I know a number of such cases. One man in particular with a small aluminum foundry has done some excellent work. But these people do not seem to have been able to make any contacts. They go to Mr. Pyne, who says, "I should be very glad to give you something to do, and as soon as some firm asks us for a subcontractor we will direct them to you." But that is not very satisfactory, and for two years these people have been twiddling their thumbs; either they have to move east and get a job there, or stay where they are and continue to do commercial work.

I would appreciate it if the minister would give us to-morrow some outline of the bits-and-pieces programme, whether it is his intention to expand it, and how it would be possible for these men who think they can play some part in Canada's industrial effort to be brought more directly in contact with the government and those places where there are contracts.

Progress reported.

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

Wednesday, May 20, 1942

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*DESTRUCTION OF BANANAS IN HALIFAX HARBOUR

Mr. ISNOR:

1. Is it a fact that large quantities of bananas were dumped at pier 40 at the port of Halifax, Nova Scotia, on or about May 2, 1942?
2. If so, what steps have been taken to ascertain who was responsible for such action?
3. Has any action been taken to prevent such wastage in the future?
4. Has the national harbours board taken measures to prevent such action by individual firms, ship owners or ship agents?
5. Will the minister responsible take action to make an inquiry into this apparent waste of fruit?
6. Was a free offer of this fruit made to the military authorities at Halifax or Debert?
7. Was a free offer of this fruit made to the naval or Royal Canadian Air Force headquarters at Halifax?

Mr. AYLESWORTH:

1. Is it true that tons of edible bananas were destroyed in the last few months at Halifax harbour?
2. If so, what action has been taken or will be taken by the government to prevent recurrence of this waste?

[Mr. T. C. Douglas.]

Mr. NICHOLSON:

1. Have large quantities of bananas recently been dumped in Halifax harbour?
2. If so, what quantities have been so dumped?
3. Are there any government regulations dealing with the destruction of foods in Canada?

Mr. PURDY:

With reference to the alleged dumping of a large quantity of bananas in Halifax harbour, is it the government's intention to hold a full investigation and place the evidence, with a report, before the house?

Mr. HOWE: I will make one oral answer to these four questions, all of which concern a shipment of bananas alleged to have been dumped at pier 40 at the port of Halifax.

On April 30 there reached Halifax a cargo of bananas, a considerable portion of which was in an overripe condition and proved to be unsaleable and unshippable. The spoiling appears to have been due to war shipping conditions, causes entirely beyond the control of either the exporter or the importer. I understand that part of the shipment was given away by the owners to certain charitable institutions. None of the shipment was dumped in the harbour proper. The spoiled bananas were removed from the wharf by the harbour board and put in a special dump at pier 40. It may be possible that some of the bananas were removed from pier 40 by truck drivers entirely without the consent of the harbour board. I understand it is reported that some even turned up in the northwest arm. If so, I am assured by the harbour authorities that they were moved by truck drivers or other unauthorized persons from the harbour dump and placed there.

UNEMPLOYMENT INSURANCE—ADMINISTRATION—EMPLOYMENT OF RETURNED SOLDIERS

Mr. DIEFENBAKER:

1. How many men have been employed in connection with the administration of the Unemployment Insurance Act in each of the provinces of Manitoba, Saskatchewan and Alberta?
2. How many are returned soldiers?

Mr. MITCHELL:

1. Manitoba 45, Saskatchewan 33, Alberta 45.
2. Manitoba 18, Saskatchewan 15, Alberta 23.

Note.—These figures do not include limited period nor casual book renewal employees.

ANNUITIES BRANCH PUBLICATIONS

Mr. BRUCE:

1. How many copies of a 16-page booklet from the government annuities branch of the Department of Labour have been circulated throughout Canada?
2. Does the department consider the printing of 16-page booklets at this time and sending them all over the dominion, is justified?

Mr. MITCHELL:

1. 60,000.

2. During the fiscal year ending March 31, 1942, 4,766 persons took out annuity contracts and approximately $16,000,000 in purchase money was received and the superintendent of annuities attributes considerable of this increase to the circulation of the booklets. It is considered that the issuance is justified by the facts. However, with a view to effecting economy from a monetary standpoint as well as in the use of materials and labour a leaflet, which it is intended should largely take the place of the present descriptive booklet, is now in the hands of the king's printer.

GASOLINE RATIONING—FARMERS

Mr. MATTHEWS:

Is it the intention of the government to arrange for any concession to farmers whereby, while remaining under the coupon system, they could secure gasoline by the barrel as heretofore?

Mr. HOWE:

No. The farmer is allowed to buy gasoline by the drum for his truck but not for his motor car.

ST. CATHARINES STEEL COMPANY CONTRACTS

Mr. DOUGLAS (Weyburn):

1. What contracts have been let to the St. Catharines Steel Company of St. Catharines, Ontario?

2. What is the total value of these contracts?

3. What articles are being manufactured for the Canadian government or on British account?

4. Are these contracts on a management fee basis, are they cost-plus contracts, or were they given as a result of tender?

Mr. HOWE:

1. Six contracts have been let to St. Catharines Steel Products Limited on Canadian account.

2. The estimated total value of these contracts is $4,454,000.

3. Three types of armour piercing and semi-armour piercing ammunition of a highly technical nature are being manufactured for Canadian account.

4. All of the contracts mentioned in 2 have been let on a target price basis.

Note.—The British government have requested us not to give information regarding United Kingdom contracts placed in Canada.

WAR LABOUR BOARDS

Mr. DOUGLAS (Weyburn):

1. What is the personnel of the wartime labour boards?

2. What organizations do these individuals represent?

3. What salary, travelling expenses and other remuneration have been paid to them, as at March 31, 1942?

Mr. MITCHELL:

War Labour Boards

National Board	Remuneration	Travelling Expenses
Hon. Humphrey Mitchell (Chairman), Department of Labour	No remuneration	
Dr. Bryce M. Stewart (Vice-Chairman), Department of Labour	No remuneration	
A. Deschamps, President, Builders Exchange, Montreal	$ 75 00	$ 154 95
George Hodge, Manager, Department of Personnel, Canadian Pacific Railways, Montreal	.....	1,148 60
G. Jackson, Sentinel Securities of Canada Ltd., Toronto, Ont.	90 00	174 12
J. H. Stovel, Vice-President and General Manager, Dome Mines, South Porcupine, Ont.	.....	383 60
H. Taylor, Canadian National Carbon Co., Ltd., Toronto, Ont.	.....	366 40
John A. Bell, General Chairman, Order of Railroad Telegraphers, Toronto, Ont.	75 00	213 40
W. Dunn, Financial Secretary-Treasurer, Toronto District Labour Council, Toronto, Ont.	105 00	245 00
J. A. McClelland, Valois, Quebec	2,925 00	
A. R. Mosher, President, Canadian Congress of Labour, Ottawa, Ont.	105 00	
Gerard Picard, General Secretary, Confederation of Catholic Workers of Canada, Quebec, Que.	105 00	392 65
R.W.L.B.—P.E.I.		
Hon. Horace Wright (Chairman), President of the Executive Council	No remuneration	114 80
J. M. Hunter, Charlottetown, P.E.I.	435 00	111 25
Leo. F. Corcoran, Charlottetown, P.E.I.	435 00	109 50
R.W.L.B.—N.S.		
Hon. L. D. Currie, K.C. (Chairman), Minister of Mines and Labour	No remuneration	
Sydney C. Mifflen, Office Engineer, Dominion Coal Company Ltd., Sydney, N.S.	510 00	359 23
T. D. A. Purves (Vice-Chairman)	No remuneration	
Arthur W. Schwartz, Vice-President, Lunenburg Foundry Company, Ltd., Lunenburg, N.S.	540 00	216 15

War Labour Boards—*Con.*

	Remuneration	Travelling Expenses
R.W.L.B.—N.S.—*Con.*		
Clinton Giles, Local Chairman, Brotherhood of Locomotive Engineers of the International Railway Labour Organization, Stellarton, N.S.	540 00	184 00
Doane Curtis, Member of the Steel Workers' Organizing Committee of the Steel Plant of the Dominion Steel and Coal Corporation, Sydney	570 00	269 95
R.W.L.B.—N.B.		
Hon. J. Andre Doucet (Chairman), Minister of Health and Labour	....	48 25
Charles J. A. Hughes (Vice-Chairman)	No remuneration	
R. W. Cameron, Lumberman, Fredericton, N.B.	90 00	153 30
C. Alan Beatteay, Manager, Snowflake Lime Company Ltd., Saint John, N.B.	97 50	101 90
Geo. R. Melvin, Secretary-Treasurer, New Brunswick Federation of Labour, Saint John, N.B.	105 00	101 90
R. F. Gould, Claims' Investigator, C.N.R., and President Canadian Brotherhood of Railway Employees and Other Transport Workers, Local Division No. 137, Moncton, N.B.	180 00	164 83
R.W.L.B.—Quebec		
Hon. Edgar Rochette (Chairman), Minister of Labour	No remuneration	
Gerald Tremblay (Vice-Chairman), Deputy Minister of Labour	No remuneration	
François Faure, Vice-President, Consolidated Paper Corporation Limited, Montreal, P.Q.	....	211 93
Robert McLagan, General Manager, Canadian Vickers Limited, Montreal, P.Q.	105 00	15 00
Col. J. H. Dessureault, Dessureault and Company, Quebec, P.Q.	180 00	196 68
Paul N. Marquette, General Representative, Canadian Congress of Labour, Montreal, P.Q.	195 00	99 05
Philippe Lessard, President, National Catholic Pulp and Paper Federation, Port Alfred, P.Q.	195 00	481 85
Lionel Thibeault, Representative, Boot and Shoe Workers' Union Montreal, P.Q.	150 00	178 00
R.W.L.B.—Ontario		
Hon. Peter Heenan (Chairman), Minister of Labour	No remuneration	
S. E. Dinsmore, President, Dinsmore-McIntire, Ltd., Windsor, Ont.	135 00	271 45
C. B. C. Scott, Superintendent, Massey-Harris Company Ltd., Toronto, Ont.	....	49 10
J. Cauley, Member of Ontario Executive, Trades and Labour Congress of Canada, Hamilton, Ont.	165 00	142 70
Joseph Corbett, Chairman, Joint Protective Board, Canadian National Railways, Brotherhood of Railway Carmen, London, Ont.	165 00	106 60
Elroy Robson, Director of Organization for the Province of Ontario, Canadian Congress of Labour, Toronto, Ont.	165 00	47 50
E. E. Sparrow, Director, Imperial Varnish and Color Co., Ltd., Toronto, Ont.	165 00	46 10
R.W.L.B.—Manitoba		
Hon. S. J. Farmer (Chairman), Minister of Labour	No remuneration	37 60
J. H. Parkhill, Parkhill Bedding Limited, Winnipeg, Man.	195 00	145 40
E. Claydon, President, Claydon Company Ltd., Winnipeg, Man.	180 00	130 90
Fred Keeley, Chairman, Manitoba Provincial Executive Committee of the Trades and Labour Congress of Canada, Winnipeg, Man.	180 00	131 00
John S. McNabb, Secretary, Winnipeg Labour Council, Winnipeg.	210 00	46 45
R.W.L.B.—Saskatchewan		
Hon. R. J. M. Parker (Chairman), Minister in charge of Bureau of Labour and Public Welfare	No remuneration	
Charles Andrew Scott (Vice-Chairman)	No remuneration	
Leroy Johnson, K.C., Natural Sodium Products Ltd., Moose Jaw	240 00	96 15
F. E. Doull, Office Manager, The Robert Simpson Co., Ltd., Regina, Sask.	285 00	136 30
H. D. Davis, General Chairman, Brotherhood of Railway Carmen, Prince Albert, Sask.	405 00	49 54
Gerald Dealtry, Secretary, Trades and Labour Council, Saskatoon, Sask.	360 00	117 60
R.W.L.B.—Alberta		
Hon. E. C. Manning (Chairman), Provincial Secretary and Minister of Trade and Industry	No remuneration	
W. D. King (Vice-Chairman), Deputy Minister	No remuneration	
Wm. Innes, Burns and Company, Limited, Calgary, Alberta	160 00	262 25
H. G. MacDonald, Edmonton, Alta.	245 00	328 60

War Labour Boards—*Conc.*

	Remuneration	Travelling Expenses
R.W.L.B.—Alberta—*Con.*		
T. C. Thompson, President, Local 271, Sheet Metal Workers' International Association, Edmonton, Alta.	225 00	186 60
D. Mathieson, Secretary, Locals 6783, 6784, 4119, United Mine Workers of America, District 18, Edmonton, Alberta.	225 00	214 00
R.W.L.B.—B.C.		
Hon. George S. Pearson (Chairman), Minister of Labour.	No remuneration	
Adam Bell (Vice-Chairman), Deputy Minister of Labour.	No remuneration	
Byron S. Johnston, Gilley Brothers, New Westminster, B.C.	247 50	259 60
John Tucker, Vancouver, B.C.	142 50	
Signey Garfield Smith, Bloedel Welch and Stewart, Vancouver, B.C.	142 50	260 60
Chris Pritchard, President, Vancouver Metal Trades Council, Vancouver, B.C.	300 00	48 20
L. Campbell, Boilermakers and Iron Shipbuilders' Union of Canada, Vancouver, B.C.	300 00	48 45
H. W. Mackey, Vice-General Chairman of the Brotherhood of Locomotive Engineers, Vancouver, B.C.	285 00	49 70

MILITARY SERVICE—JOLIETTE-L'ASSOMPTION-MONTCALM

Mr. FERLAND:

1. To what point have the French-language recruits in the electoral district of Joliette-L'Assomption-Montcalm, summoned to receive their military instruction at training centre No. 42, Joliette, Quebec, actually been sent?

2. Is it true that young men of the province of Quebec are sent to centres of military instruction outside the province?

Mr. RALSTON:

1. Such men have not been sent to any one point but have been sent to various advanced training centres according to the arm or service in which they were to be trained. After completion of advanced training they have been dispatched to various units for duty. Recruits who do not speak English are sent to advanced training centres and units in which the French language is spoken, such as: Petawawa, Borden, Barriefield, Farnham, Three Rivers, Valcartier and Halifax. To prepare a complete list of points at which men trained at Joliette are now serving would require a study of the individual documents of all such men.

2. Men from the province of Quebec may be sent for training to training centres in Quebec, of which there are 11 basic and 3 advanced, or to other provinces, depending on the arm or service in which they are trained. Similarly men from other provinces may be sent to the province of Quebec for training, for example, all reinforcements from all over Canada for infantry (machine gun) battalions, are trained in Three Rivers.

CANADIAN BUREAU OF INFORMATION IN UNITED STATES

Mr. BRUCE:

Has anything yet been done in respect to the establishment of a Canadian bureau of information in the United States?

Mr. THORSON: The question of the establishment of a Canadian bureau of information in the United States is at present under review with the United States authorities concerned with the field of public information.

NATIONAL SELECTIVE SERVICE ADVISORY BOARD

Mr. BENCE:

1. Who is the director of national selective service?

2. Where was his residence immediately prior to his appointment?

3. What does he receive by way of pay and allowance in such position?

4. Who is the associate director of national selective service?

5. Where was his residence immediately prior to his appointment?

6. What does he receive by way of pay and allowance in such position?

7. What are the names and addresses of the national selective service advisory board and the pay and allowances paid to each one for acting in such capacity?

8. Give the names and addresses immediately prior to appointment, and pay and allowances of all other officers, clerks, and other employees appointed under the provision of section 5, subsections 1 and 2 of the order set forth in order in council P.C. 2254.

Mr. MITCHELL:

1. Elliott M. Little.

2. 136 Moncton Avenue, Quebec, P.Q.

3. Mr. Little's services are gratis.

4. Paul Goulet.

5. 46 Glencoe, Outremont, P.Q.

6. $7,000 per annum.

7. (a) The national selective service advisory board is composed of the members of the national war labour board and the interdepartmental committee on labour coordination as follows:

Hon. Humphrey Mitchell, Minister of Labour.

Mr. E. M. Little, Director of National Selective Service.

Mr. A. Deschamps, Builders Exchange, 680 Sherbrooke St. W., Montreal, P.Q.

Mr. George Hodge, Canadian Pacific Railway Co., Montreal, P.Q.

Mr. G. Jackson, Sentinel Secruities of Canada, Ltd., Toronto, Ontario.

Mr. J. H. Stovel, Dome Mines, South Porcupine, Ontario.

Mr. H. Taylor, Canadian National Carbon Co. Ltd., Toronto, Ontario.

Mr. John A. Bell, Order of Railroad Telegraphers, 139 Pacific ave., Toronto, Ont.

Mr. W. J. Dunn, Toronto District Labour Council, 404 Merton street, Toronto, Ont.

Mr. J. A. McClelland, Trades and Labour Congress of Canada, Valois, P.Q.

Mr. A. R. Mosher, Canadian Congress of Labour, 230 Laurier ave. W., Ottawa, Ont.

Mr. Gerard Picard, Confederation of Catholic Workers of Canada, Quebec, P.Q.

Dr. Bryce M. Stewart, Department of Labour.

Mr. H. C. Goldenberg, Department of Munitions and Supply.

Lieut.-Col. G. S. Currie, Department of National Defence, Army.

Mr. H. F. Gordon, Department of National Defence, Air Services.

Mr. H. A. Wilson, Department of National Defence, Naval Services.

Major-General L. R. LaFleche, Department of National War Services.

Dr. G. S. H. Barton, Department of Agriculture.

Dr. W. A. Mackintosh, Department of Finance.

Mr. K. W. Taylor, Wartime Prices and Trade Board.

Dr. C. Blackler, Department of Pensions and National Health.

(b) No special remuneration for their services in this connection.

8. L. A. Wright, Montreal, P.Q., assistant to director, $6,000 per annum.

Miss D. E. White, Quebec, P.Q., clerk, $1,620 per annum.

Miss Y. Bryson, Ottawa, Ont., clerk, $1,620 per annum.

Miss A. Weaver, stenographer, $780 per annum.

Miss H. O'Donnell, typist, $900 per annum.

Miss L. Graham, typist, $720 per annum.

JOHN DOBBIE

Mr. NICHOLSON:

1. Is there a Mr. John Dobbie from Port Arthur in the Department of Munitions and Supply?

2. If so, what is his occupation and salary?

3. When was he appointed?

4. What is his age and qualification for that position?

[Mr. Mitchell.]

Mr. HOWE:

1, 2 and 3. Mr. J. C. Dobbie of Port Arthur, Ontario, was appointed as a clerk, grade 3, economics and statistics branch, Department of Munitions and Supply on October 10, 1941. Salary $1,380 per annum.

4. (a) Twenty-five years of age (medically unfit for military service);

(b) Graduate of Queen's university. Majored in economics.

INDEMNITY CLAIMS FOR LAND APPROPRIATIONS FOR WAR PURPOSES

Mr. FERLAND:

1. Did the Department of Justice receive from the office of the Secretary of State on February 5, last, petitions of right from Joseph Landry, Arthur Foucher and Victor Langevin of L'Assomption, and from Edouard Urbain, all farmers, claiming indemnities on account of land expropriations for war purposes?

2. Have these petitions of right been submitted to His Excellency the Governor General?

3. If not, does the Department of Justice intend to deal with these petitions?

Mr. ST. LAURENT:

1. Yes.

2. No.

3. These petitions are under consideration by the Department of Justice, and a report from the department concerned is awaited to enable the Minister of Justice to advise whether fiats should be granted.

*EXPRESSION BY MILITARY OFFICERS OF PRIVATE POLITICAL OPINIONS—LIEUT.-COL. MESS

Mrs. NIELSEN:

1. Are military officers forbidden to express private political opinions when acting in an official capacity?

2. If so, what disciplinary action has been taken against Lt.-Col. Mess for his address before the Canadian club in Saskatoon on May 6?

Mr. RALSTON: I might make an oral answer to these questions. In answer to the first question, which evidently has reference to Lieutenant-Colonel Mess who is mentioned in the second question, Colonel Mess is not a military officer, and therefore I do not think either of the questions applies. In that connection, however, I should like to tell the house the situation with regard to the address of Colonel Mess to which reference is made in the questions.

The statement reported as having been made by Colonel Mess was made in the course of an address to the Canadian club and the Women's Canadian club of Saskatoon. Colonel Mess told his audience he was president of the Association of Canadian Clubs, director of army recruiting, a Canadian business man and

a civilian. He asked that his remarks be considered as coming from a civilian. His remarks regarding the communist party of Canada were quite incidental to one short section of his main address which was devoted to the duties of citizens in a number of fields.

In that particular section of his address he asked for consideration and tolerance by his fellow Canadians for those of other nationalities. He pointed out that we had in Canada over two and one-half million citizens who are often referred to as "foreign nationals." He emphasized that 95 per cent of these were faithful people who were loyal to our institutions. He did in this connection refer to the communist party of Canada, which, as the house knows, is an illegal organization, and indicated his views as to what the methods of the communist party of Canada are. As I have said, Colonel Mess stated that in making these remarks he was expressing his views as a civilian. He was not authorized by the government or the department to express any views or make any statement on this subject.

I have made it clear to Colonel Mess that such matters more properly pertain to the realm of the Royal Canadian Mounted Police, and the intelligence and security branch of the army, than to the recruiting branch and that the interests of security make it inadvisable for any official of the department to discuss in public the methods which an illegal organization may be or may not be supposed to be using.

Lieutenant-Colonel Mess has, in his capacity of president of the association of Canadian clubs, delivered many addresses on matters affecting Canadian citizenship, and he has explained to me, what I can quite understand, that he did not realize the importance which, on account of his official position, would likely be attached to what he might say on the subject in question. I may say that any subversive influences which might affect either our armed forces or the civilian population are having and will continue to have the most vigilant attention by the governmental authorities concerned.

JOINT DEFENCE BOARD—COLONEL O. M. BIGGAR

Mr. GILLIS:

1. What remuneration in the form of salary, or expenses, or both, is paid by the government to Colonel O. M. Biggar in his capacity as chairman of the Canadian section of the permanent joint board of defence?

2. What remuneration in the form of salary, or expenses, or both, is paid by the government to Colonel O. M. Biggar in his capacity as director of censorship?

Mr. MACKENZIE KING: No remuneration has been paid or authorized to be paid to Colonel O. M. Biggar for his services either as chairman of the Canadian section of the permanent joint board on defence or as director of censorship. His remuneration in the latter capacity will be considered when the reorganization has been completed and the burden of the duties ascertained. Colonel Biggar has received his actual expenses incurred while away from Ottawa on the business of the permanent joint board on defence and will do so when required to be away in discharge of his functions as director of censorship.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CATTLE AND BEEF STATISTICS

Mr. WRIGHT:

1. What was the total number of cattle exported to the United States during the first four months of 1941, (a) dairy cattle, (b) calves, (c) other cattle?

2. What was the total number of cattle exported to the United States during the first four months of 1942, (a) dairy cattle, (b) calves, (c) other cattle?

3. What was the total number of cattle marketed in Canada in the first four months of 1941, (a) dairy cattle, (b) calves, (c) other cattle?

4. What was the total number of cattle marketed in Canada in the first four months of 1942, (a) dairy cattle, (b) calves, (c) other cattle?

5. What was the total number of cattle marketed in the first four months of 1941 in, (a) stock yards, (b) direct to packers?

6. What was the total number of cattle marketed in the first four months of 1942 in, (a) stock yards, (b) direct to packers?

7. What was the total amount of beef in storage in Canada on January 1, 1941, and May 1, 1941?

8. What was the total amount of beef in storage in Canada on January 1, 1942, and May 1, 1942?

NATIONAL FILM BOARD—APPROPRIATIONS AND EXPENDITURES

Mr. JACKMAN:

1. What was the total appropriation voted by parliament during each of the last two fiscal years for the work of the national film board?

2. What was the total amount made available to the national film board during each of the last two fiscal years from the war appropriation acts?

3. What was the total amount made available to the national film board during each of the last two fiscal years by transfer from grants made by parliament for other branches of government service?

4. What was the grand total of all the expenditures of the national film board during each of the last two fiscal years?

MARITIME LOBSTER INDUSTRY

Mr. BLACK (Cumberland):

1. What are the names and addresses of persons employed by the government in the marketing, handling and storage of canned lobster for 1941 in, (a) Prince Edward Island, (b) Nova Scotia, (c) New Brunswick?

2. For what period was each such person employed, what were his or her duties, what was the rate of remuneration and the total amount paid to each for, (a) services, and (b) expenses?

3. What were the rents or charges paid for offices, storage or warehouse space, the location and the periods of lease or use, to whom were payments made and the amount paid for each?

4. What were the additional expenditures in each province, stating for what purposes they were made and to whom paid?

5. What number of cases of lobster 8 doz. tins, (a) ½s, (b) ¼s, (c) 4 doz. flats, did the government buy in each province during the spring season of 1941, also during the fall season of 1941, and what prices were paid and from whom were purchases made?

6. What quantity of each size was sold and at what price?

7. (a) In what newspapers and magazines did the government place advertisements regarding canned lobster, (b) what was the cost of such advertising, and (c) what was the name of the person or agency handling such advertising and the percentage and total commission paid to each?

8. Did the government charge buyers 8 per cent sales tax on every sale, if not, why not?

9. Did the government reject any lobsters, if so, state reasons, names of packers and addresses and quantity in each instance?

10. Did the government oversell during the spring season, or fall season, if so, state quantity of each size and full particulars?

11. What profit or loss did the government incur on the 1941 canned lobster business, including advertising and all other expenses?

JAPANESE NATIONALS IN BRITISH COLUMBIA

Mr. REID:

1. What has been the total expenditure up to the end of April, 1942, made by the security commission set up to handle the movement of Japanese from the coast of British Columbia?

2. What amount of money has been spent on equipment at the Hastings park camp or depot, showing, (a) number and cost of beds, (b) number and cost of cooking stoves or ranges, (c) cost of lumber and hardware used in construction of fence, (d) cost of labour?

3. What number are employed in this camp, including clerical staff, police and all other help?

4. What total number can now be accommodated at Hastings park?

5. Is it the intention to leave any particular class or classes of Japanese at the Hastings park camp?

MOTIONS FOR PAPERS

WHEAT ACREAGE REDUCTION BONUS

Mr. HAZEN:

For a return showing—(a) the names and addresses of the persons to whom cheques were issued for $4,000 to $5,000 as wheat acreage reduction bonus; (b) how the amounts were made up; (c) how much each person received.

Mr. GARDINER: Mr. Speaker, this motion deals with the same matter that was brought up in a question on the order paper at an earlier stage of the session. I only wish to state that I think this should be allowed to pass subject to the conditions which were stated before, that it is without prejudice and without setting a precedent.

SALT FISH BOARD—PICKLED OR VINEGAR-CURED HERRING

Mr. BLACK (Cumberland):

For a copy of all correspondence between the Department of Fisheries or the salt fish board and the government of Nova Scotia, companies, agencies or persons with respect to the curing and the marketing of pickled or vinegar-cured herring and the bonusing or assisting same during the years 1939 to March 31, 1942.

ATWOOD'S BROOK, N.S., POSTMASTERSHIP

Mr. BLACK (Cumberland):

For a copy of correspondence during 1941 and 1942, in connection with the appointment of postmaster at Atwood's Brook, Shelburne county, Nova Scotia, and the application of Mr. Ernest Kenney and Robert G. Stoddart, an ex-service man; and the retirement of the previous incumbent and the appointment of his successor.

DUTY ON COAL CLEARED AT PORT OF TORONTO

Mr. NOSEWORTHY:

For a statement showing the amount of duty paid on coal cleared at the port of Toronto between April 15 and July 15 (inclusive), 1940.

Mr. GIBSON: In view of the fact that monthly returns of customs figures are readily available, the hon. member for York South has consented to amend the question to read "between May 1 and July 31, 1940, inclusive." I would request that the motion be passed as amended.

CANADIAN ARMY

DISPATCH FOR DUTY OUTSIDE CANADA OF MEN CALLED UNDER MOBILIZATION ACT

On the orders of the day:

Hon. GROTE STIRLING (Yale): I should like to direct a question to the Minister of National Defence, of which I have given notice. I hold in my hand a copy of order in council P.C. 4105, dated Friday, May 15, 1942, passed under the authority of the War Measures Act, which empowers the government to send detachments of the Winnipeg Grenadiers and the Canadian Fusiliers (City of London regiment) to the United States in connection with certain service and duty. It is recited

in the order in council that the detachments will include men on the strength of these battalions who have been called out for training, service or duty under the National Resources Mobilization Act.

As this is the first instance in which men called out under the mobilization act have been dispatched for duty outside of Canada, I should like to ask the minister to give the house some explanation of the background of this order in council. I should like also to ask if it is the intention of the government to invoke the authority of the War Measures Act for the purpose of sending troops, called up pursuant to the National Resources Mobilization Act, out of Canada for duty in other parts of the world.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, the duty to which my hon. friend refers is escort duty in connection with prisoners of war. When we came to decide what troops should be provided for that purpose, along with the veterans guard and provost corps personnel, I was advised by the officers concerned that to use troops from these two units would avoid interference with operational, training and other requirements in which other units were engaged. It has been indicated more than once, I think, that the War Measures Act would be used for purposes of this kind when required, and this was a case in which that course was considered advisable.

I do not think my hon. friend will expect me to make any statement with respect to future policy. I can only say that as to the intention for the future, it will be indicated as the circumstances arise.

HONG KONG COMMISSION

INQUIRY AS TO PRESENTATION OF REPORT

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I should like to ask the Prime Minister if there is any possibility of the house receiving in the near future the report of the Hong Kong commission.

Hon. J. L. RALSTON (Minister of National Defence): All I can say to my hon. friend is what I said the other day, that I am advised that due to the illness of the gentleman who was nominated by the leader of the opposition to take part in the inquiry as counsel, a long extension had to be granted in order to permit briefs to be filed. I indicated last week that those briefs were to be filed within a week. I think they are to be filed to-morrow, if they have not already been filed. At any rate there is some sort of meeting to-morrow in connection with it—some sort of hearing. Further than that I cannot say. The question as to when the report is actually to be filed is one for the commissioner. The delay as I understand it is merely on account of the illness of the gentleman to whom I have referred.

Mr. COLDWELL: Is the minister doing his best to see that the report is expedited? There are many people anxiously awaiting it.

Mr. RALSTON: I can only say to my hon. friend that it is in the hands of the chief justice, and I do hesitate to say that I would take any part in influencing him one way or another. But I will say that so far as the government is concerned, the brief has been ready. As a matter of fact the brief was ready within a week, or perhaps even less, after the hearing was concluded. Therefore there has been absolutely no delay of any kind on acount of anything the government or those representing the government might have been able to do.

BEEF

INQUIRY AS TO ACTION BEING TAKEN TO RELIEVE SHORTAGE

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 Agriculture (Mr. Gardiner), because according to a report in a Toronto paper of yesterday this matter is urgent. The report is as follows:

> Beef For Week-End To Hit New Low.
> Greatest Shortage Since Scarcity Started, Live Stock Dealers Predict.
>
> There will be a greater shortage of beef this week-end than has been the case through the whole beef scarcity, live stock dealers at the Union Stock Yards predicted at noon hour to-day. Receipts have not been nearly sufficient to meet the retail needs, only 1,000 cattle, half a normal Tuesday run, was received to-day.

Is the Minister of Agriculture prepared at this time to make a statement to the house with respect to the question I asked on April 20, 1942, and which is reported at page 1743 of *Hansard*? My question had reference to the shortage of beef in the butcher shops in Canada. Replying on that day the minister said he would make a statement within a few days.

Mr. SPEAKER: This is really a question which should be on the order paper.

Mr. FRASER (Peterborough West): I think it is too urgent for that.

THE MINISTRY

REPRESENTATION OF THE PROVINCE OF QUEBEC

On the orders of the day:

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker, I should like to direct a question to the Prime Minister. Is the Prime Minister through with the consideration of the question as to whether or not the province of Quebec is to be given its proper representation in the cabinet?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend has asked that question several times. If he is desirous of having himself considered for such a position, I can tell him immediately that his chances are very slight indeed.

DEFENCE OF CANADA REGULATIONS

INQUIRY AS TO PROBABLE DATE OF FUNCTIONING OF COMMITTEE

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, could the Minister of Justice tell the house when the committee on the defence of Canada regulations is to start its work? The motion was passed two weeks ago to-day.

Hon. L. S. ST. LAURENT (Minister of Justice): Mr. Speaker, the Minister of Justice is not a member of that committee. I suggest the question should be asked of someone who is a member of it.

VICHY REPRESENTATION

FRENCH CONSULATES AND CONSULAR AGENTS IN CANADA

On the orders of the day.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, yesterday I made a statement to the house with respect to diplomatic relations between Canada and France. At that time I made no reference to the position of French consulates and consular agencies in Canada. As hon. members are aware, there are four consulates in Canada, one at Vancouver, one at Winnipeg, one at Montreal, and there is a consular office at Quebec. The consul himself was removed from the Quebec consulate a few days ago, but the office itself is not as yet closed.

There are consular agencies of France in Halifax, Toronto, Edmonton and Vancouver. I should like to say however that the normal commercial and shipping functions of the French consulate and consular agencies have been in abeyance for some time. Their residual duties have been much diminished in volume and importance by the course of the war. The consulates themselves are, as a consequence, rendering very little in the way of service, and their presence has become a focus of suspicions and misunderstandings.

In the circumstances the government have thought it advisable to request the French minister to take the necessary steps to suspend the operation of French consulates and consular agencies, and I have to-day advised the French minister accordingly.

Mr. STIRLING: Would the Prime Minister indicate whether these are French nationals who will have to be returned to France, and whether there are Canadian nationals there who will also have to be returned to Canada?

Mr. MACKENZIE KING: I would have to make inquiries in order to give my hon. friend an exact answer.

COAL

PURCHASES BY CANADIAN NATIONAL RAILWAYS FROM INVERNESS MINE

On the orders of the day:

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, in reply to a question asked by the hon. member for Cape Breton South (Mr. Gillis) regarding the purchase of coal by the Canadian National Railways from the Inverness coal mine, I am advised by the management of the railways that for the past ten years the purchases from the Inverness Coal company have made up a very small proportion of the total tonnage of the mine. For example, in 1941 the railways purchased approximately 15,000 tons out of a total production of 150,000 tons. Contracts have been negotiated recently for the purchase of 250 tons per week. This should help to improve the situation referred to by the hon. member.

BUSINESS OF THE HOUSE

VICTORIA DAY

On the orders of the day:

Hon. GROTE STIRLING (Yale): May I ask the Prime Minister to intimate to the house whether it is the intention that the house shall sit on Monday next?

Right Hon. W. L. MACKENZIE KING (Prime Minister): If there were a general desire on the part of hon. members to have Monday observed as a holiday, in order that they might visit their constituencies on Victoria day, the government would be prepared

to consider such a request. I should say however, from the government's point of view, that we feel we should endeavour to expedite the work of the session as much as possible. As we are now nearing the end of the fourth month of the session and there is still a large amount of business to be done, unless there should be a general wish on the part of hon. members not to sit on Monday, the government proposes to have the regular sitting on that day.

BUSINESS OF PARLIAMENT

REALLOCATION OF WORK OF COMMONS AND SENATE TO MEET WAR CONDITIONS

On the orders of the day:

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I should like to ask if the Prime Minister would care to make a statement in connection with the matters I raised in the house during the past two sessions and the reply he made to me on those occasions, with reference to the reallocation and readjustment of war work between the two houses of parliament. I suggested last session that matters connected with war contracts and expenditures might be one; and some matters on foreign affairs he mentioned yesterday and to-day might be dealt with there, although it is not their function. They have been away now for nearly eleven months, with the exception of a few hours, since last June. Will the Prime Minister give consideration to this matter?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have been discussing that very matter with the Hon. Doctor King, who is acting leader in the senate at the present time, and I think what my hon. friend has in mind may possibly be furthered as a result of our conversation.

Mr. COLDWELL: Does the Prime Minister consider the war expenditures committee to be a proper function of the other place?

Mr. MACKENZIE KING: I took the remarks of the hon. member for Broadview (Mr. Church) as being general in character, and as not having reference to any particular subject, other than that the other house might interest itself in matters which might be of assistance to this house. I would say to the hon. member for Rosetown-Biggar (Mr. Coldwell) that war expenditures are a primary concern of the House of Commons.

Mr. CHURCH: They should be given more real war work, or the senate should be abolished. They have been sitting here only about six hours since last June.

WAR APPROPRIATION BILL

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

The house resumed from Tuesday, May 19, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

Mr. MACDONALD (Brantford City): Mr. Chairman, last Thursday when I was out of the house on business affecting the working men of Brantford and the war effort of Canada, my very dear friend, the hon. member for Northumberland, Ontario (Mr. Fraser), whose friendship I have always valued, and of whose friendship I trust I shall always be worthy, made certain remarks respecting an address made by me in the house on the preceding Thursday. His remarks were not entirely complimentary. When I heard what he had said my first impulse was to rush into the house and reply in language just as uncomplimentary. However, I recalled the words of that great Canadian statesman, Sir Wilfrid Laurier, which have been of great help to me and have prevented me from saying things which I might have regretted later on. I would impress these words upon my hon. friends. Sir Wilfrid's words were: "It does not do to bear resentment in public life."

It was evident from my hon. friend's remarks that he was not in the house when I spoke on the previous Tuesday. Apparently he was engaged, as most of us are so frequently, with committees or departmental work which makes it absolutely impossible for us to be in the house all the time. Apparently he relied upon the report of my speech which appeared in the Ottawa *Journal*. That paper was kind enough to honour my remarks with front-page publicity. Doubtless there was a scarcity of other sensational news that day. Those remarks were widely read, if not by the people of Canada at least by the people of Ottawa, and they tended to place a false light upon what is being done by the people of the constituency I represent, the city of Brantford.

If my hon. friend had taken the trouble to read my speech he would have found that I was not speaking about the city of Brantford. My only reference to the city of Brantford was with regard to our happiness in having airports in our vicinity. I want to remind hon. members that these airports are not in the city of Brantford; one is three or four miles away, and the other, seven miles. What I said was:

The commanding officers, the officers, the instructors and the young pilots and the ground

crew have all established for themselves a place in the hearts of the people of Brantford city and we are indeed happy to have them in our midst.

If my hon. friend had taken the trouble to read my remarks he would have found that neither the citizens of Brantford nor those who live in the township were complaining at all about the noise from the aeroplane. There was no suggestion of complaint from anyone. My hon. friend boasted—and I have read his remarks—that he slept in his bed at night next to the airport. I find that my hon. friend's home is not next to the airport, but some considerable distance away. He may have a very good imagination; in fact, I know he is a man of wonderful imagination and energy; but his imagination must have been remarkable if he could go to bed at night and think, or perhaps dream, that he was sleeping next to an airport and then wake up and find that he was several miles away.

My remarks were merely in appreciation of those people whose farms and homes are not separated by miles from these airports. When the aeroplanes take off they pass only twenty-five or fifty feet above the tops of their homes and their buildings. Let me make myself clear: those people were not complaining. I was merely expressing to them a word of appreciation, and I am sure the hon. member for Northumberland, Ontario, would join with me in that appreciation. He spoke also of a certain spirit of complacency which was abroad in this land. Let me hasten to assure him and the committee that there need be no fear of any spirit of complacency being abroad in the city of Brantford or in the county of Brant.

I would remind hon. members that in the last war the county of Brant gave to the armed forces as large a percentage of her population as any county in the Dominion of Canada. I would again remind hon. members that at the present time the county of Brant has given to the armed forces more than 5,000 men and women. I would remind hon. members also that at the commencement of this war the city of Brantford, in association with the city of St. Catharines, so ably represented in this house by my friend the hon. member for Lincoln (Mr. Lockhart), suggested to the government that waste should be collected. The idea of the collection of salvage started in those two cities. The idea of using bags which are distributed and left in the homes originated in the city of Brantford. I remember when the present Minister of Agriculture (Mr. Gardiner) was Minister of National War Services he went to the city of Brantford and investigated what the local council of women were doing, and the national salvage organization was set up after an investigation into what had been done in Brantford. If the collection of salvage throughout Canada were undertaken on a voluntary basis, as it is done in Brantford by the local council of women, it would be a greater success than it is at the present time.

I should like to remind hon. members of two other matters. When the second victory loan was being organized this year it was suggested that Brantford and the county of Brant should subscribe $3,600,000. Instead of subscribing $3,600,000, we subscribed more than $4,900,000. The Red Cross campaign is now being carried on in Canada. The total required is $9,000,000. The total population of Canada is approximately 11,000,000, which means that there must be obtained a little less than $1 a head. What happened in the city of Brantford? With a population of approximately 30,000 people we are being asked to subscribe $60,000, or $2 a head, and I am sure that the subscription will be nearer $90,000.

I feel sure that if my hon. friend had read my few remarks he would have agreed with most, if not all that I said. I concurred in the suggestion made by the hon. member for Lambton West (Mr. Gray) that commissions should be given to all members of the air crew. I went further and said that if that could not be done at the present time, commissions should be given to all men who had flown over Germany. I said that hockey players got excellent treatment in Canada and I thought that men who flew bombers and fighters over Germany were entitled to as good treatment. I am sure my hon. friend would have agreed with that statement. I stated further that there should not be so much talk about defence, that the talk should be more about offence. Let me read my remarks from page 2350 of *Hansard*.

Some hon. MEMBERS: Order.

Mr. MACDONALD (Brantford City): Perhaps my hon. friends would like to read those remarks themselves instead of my doing it. I would remind them that my suggestion was that there should be less talk of defence and more talk of offence. I suggested that instead of having a Minister of National Defence, a Minister of National Defence for Air and a Minister of National Defence for Naval Services, we should have ministers of war. I stated and I repeat that this war will never be won or lost in Canada. If the war is going to be won—and it must be won—we must go abroad and find Hitler and defeat him abroad. We can never do it in Canada. My remarks have met with the approval of a large section of the press.

If hon. members will bear with me, I should like to refer to two editorials which have appeared in the press since I made those remarks. Comment upon them was made in an inland paper, the Brantford *Expositor,* of Thursday, March 14, and also in a paper published on the Atlantic coast, the Halifax *Herald,* of the same date. I shall not take the time of the committee to read these editorials but would recommend them to the attention of hon. members. I am sure, Mr. Chairman, that the member for Northumberland, Ontario, would agree with me that we must have more of the go-out-and-fight spirit than we have had if we are going to win this war.

In my remarks I also referred to the question of the taxation of airports. These airports were built when the present Minister of Munitions and Supply (Mr. Howe) was Minister of Transport, and I wish to commend him and his officers for the splendid job they did. The question of taxation of crown lands is a very broad subject. Some buildings owned by the crown are of special benefit to the community in which they exist. Take, for example, a customs house. A customs house serves the people in the immediate vicinity, in the town or city in which it happens to be. But airports are, in most instances, built in townships, many miles from a city, and any benefits from their establishments do not come to the township but come to the city. My suggestion was that the government might consider paying taxation on that land. My hon. friend the member for Northumberland, Ontario, had the right to take the opposite view, and other members also have the same right. I repeat, the question of taxation of crown lands is a very broad subject.

The Minister of Munitions and Supply has through his department set up throughout Canada private companies which have purchased lands. Do these companies pay taxes, or are the lands bought in the name of the crown and are they exempt from taxation? The Department of Munitions and Supply has also advanced large sums of money to private organizations. Often these private organizations buy lands. In fact, I am informed that the capital advanced to these private organizations is often considerably greater than the capital of the organization itself. Therefore, to all intents and purposes many of these private organizations are now crown companies, but I do not for one minute think they are exempt from taxation.

As I walk along the streets of Ottawa from day to day I notice that almost every few days another building is being taken over by the government. I should like to ask the minister whether, when buildings are taken over by the government, the government pays taxes to the city of Ottawa upon them; and whether, when the government tears down buildings or takes over vacant lands, the government pays taxes to the city of Ottawa for the lands which have been taken over. It must be very difficult, it would seem to me, for the city of Ottawa to set its tax rate if, throughout the year, buildings and lands are taken over by the government and taxation upon these properties ceases. Personally I do not see how the city could meet its expenditures from year to year if the city's taxes are cut into in that manner.

I raise these questions because there seems to be considerable unfairness in the question of taxation of crown lands. The whole question should be reviewed in order that some fair system can be arrived at.

I also wish to bring to the attention of the Minister of Munitions and Supply the question of the shortage of gasoline and rubber. I should like the minister and hon. members to know that my remarks are not at all critical of the minister or of his department. I am convinced that no nation has had a finer Minister of Munitions and Supply than we have had in Canada. But I notice according to the press reports that bond salesmen are entitled to buy used automobile tires while other business men have not that privilege. In what respect are bond salesmen doing a more essential business job than the ordinary business man? Why should the bond salesmen get rubber tires while other men cannot carry on business because they can get no tires?

There is another thing I would draw to the attention of the minister. A man driving a truck cannot take along in it the members of his family. Is it so that a farmer living a few miles from the market must drive his truck and his farm produce to market and that his wife and perhaps his family who sell on the market must go there by some other conveyance? That does not seem to me to be reasonable. If the farmer is going to sell his produce on the market, he should be allowed to drive into the market not only with his produce but also with the members of his family who are going to help him in selling his produce.

With regard to gasoline I notice that the same restriction applies to all business men with the exception of the bond salesman. The bond salesman is again placed in a higher category. I notice by the press reports that a number of business men who have been issued gasoline ration books for categories higher than A have had their books called in and that practically all business men to-day

are on the same basis as pleasure drivers in securing gasoline. It comes to my mind that there are many men carrying on business as commercial travellers, not necessarily selling wares essential to war industry, but selling wares that are essential to those who are carrying on war industry. Why should these commercial travellers be put in the same class with those who do not need their cars for business purposes, with those of us who use cars just for pleasure? I was very glad to hear the minister say in the house last night that every effort is being made to eliminate unfairness in rationing. I say to him and the members of the house that it seems most unfair that men should be put out of business while other people are allowed to go on driving their cars in their usual way for pleasure. I would suggest to the minister and to those who make these regulations that every pleasure-car driver should be put off the road before any man is put out of business through rationing, whether he be a commercial traveller or other business man.

Mr. FRASER (Northumberland, Ont.): I cannot neglect the opportunity of saying to the hon. member for Brantford City that, if one has to be spanked or chastised, it is a pleasure to undergo that discipline from a gentleman who conducts himself and presents his case in the language of my hon. friend.

I should like, now that hon. members have had an opportunity of learning that there is such a place in western Ontario as Brantford, to congratulate the people of that town upon the selection of the hon. gentleman who represents them in this house, and I should like him to pass on to them individually, as far as he possibly can, these words of congratulation on my part.

I think my hon. friend's presentation in connection with government payment of taxes on airports in townships—something to which I neglected to refer on Thursday—is a little far-fetched, because it is my experience that the townships immediately raise the assessment of the property adjacent to airports because of the benefits which accrue to people with money-making ideas in the vicinity of airports.

In conclusion, I would express appreciation to my hon. friend of the very gracious way in which he "panned" me.

Mr. HARRIS (Danforth): Now that we have decided among ourselves that we should have a minister of war, I suggest that his first duty should be to settle the war which is going on upon the benches opposite. Perhaps in that one instance we might allow him to function as an appeaser; let us have a little appeasement in that direction, and get on with the war which is so serious and affecting us all so much.

I would have hesitated to say anything, being anxious to let the minister get on with his work, had not the hon. member for Wellington North (Mr. Blair) made some remarks not only with regard to the general conduct of hon. members, but having reference to Toronto: no speech coming from Wellington seems to be complete unless the city of Toronto is dragged in.

Mr. MACKENZIE (Vancouver Centre): Another war.

Mr. HARRIS (Danforth): When the war in which we are engaged is over, I hope I shall be spared to take my place in this chamber, and we will start a little war and clear up some illusions which possess the mind not of the people of Wellington North or any other Wellington, but of the representative of Wellington North. In the meantime my remarks will be addressed to the subject matter which is under review.

I received within the last two hours three different letters with regard to the department over which the Minister of Munitions and Supply presides, and jointly therewith, the Department of Finance. Inasmuch as yesterday we were discussing national housing and wartime housing, perhaps I might be permitted in order to save time to put on the record a letter which I have received on this subject. I agree that some of the answers to the questions raised should come from the Minister of Finance, but he will have time to cogitate, and when his turn comes he can deal with them. Meantime the letter is sufficiently important, perhaps, to go on the record. It is signed by L. R. Campbell, 190 Bingham avenue. I have not the privilege of knowing the writer, who evidently is a constituent of mine. It states:

> The practical application of the regulations of the Real Estate Branch . . . is working out to the great detriment of the very class they were supposed to protect, the people who rent their homes.
>
> The setting of ceilings on rentals, without a corresponding ceiling on selling prices, presents landlords with the choice of renting their properties in a controlled market, or of selling in a free market. They naturally choose to sell, and due to the influx of population into the larger centres as a result of the war, they can sell at prices which are out of reason compared to normal conditions.

I pause to explain that in my particular community we are favoured by having on the outskirts a very large plant at Scarboro and another large munitions plant at Pickering. Each of these plants employs between 3,000

and 5,000 workers, all of whom, on account of wartime conditions, find it necessary to obtain homes within the proximity of these plants. This particular constituent is within a few minutes' journey of the large Scarboro plant, which has some 4,000 employees. I repeat:

—due to the influx of population into the larger centres as a result of the war, they can sell at prices which are out of reason compared to normal conditions.

Wartime Housing should take note of that.

Houses in the $35 to $50 per month class have completely disappeared from the rental market in Toronto. Many thousands of tenants are being told that the homes they occupy are being put up for sale, and after the sale takes place they are given three months notice to locate other living quarters. There are no houses to rent, and the tenant is forced, regardless of his personal circumstances or financial position, to undertake the heavy task of buying a home at an inflated price. The post-war depression will see most of the houses purchased under these circumstances taken back by the owners under foreclosure. The tenant will lose his investment and the owner will turn a neat profit.

The matter is urgent. The poor and middle classes of this and other cities are being inexorably driven by the squeeze set up by the government's lop-sided policy to buy homes on terms which are certain and sure to mean heavy losses to those least able to afford them. The remedy is to set ceilings on sale prices or residential properties, thus removing the condition where it is more to the landlord's interest to sell than to rent.

The housing situation is very serious in the area mentioned, and I hope that Wartime Housing will take some cognizance of these conditions.

The second matter that I want to bring to the attention of the minister has to do with our war effort and the speeding up of production in the war plants. As the minister is prone to ask for facts, to demand who writes letters and who says such and so, I purpose to put on the record this letter which has just come to my hand, and in due course the officers of the department can look into it. Some of the statements may be a little far-fetched. If they are, I am not accountable. I do not think anything in it will harm the war effort; if for a moment I did think so it would not go on *Hansard*. I ask the minister to accept the remarks in the spirit in which I read them to the committee, believing that we are anxious to check each and every misadventure which happens in such a gigantic department.

The letter comes from S. Armstrong Goff, 62 Richmond Street West, Toronto. He is a constituent of mine, although I have not the pleasure of knowing him. He writes:

There is a condition which I deem of very great importance and which I think should be brought to your attention. As a practising solicitor I receive information from clients who are working in the different war plants and it seems inconceivable to me that in some of the plants men are being laid off for part of the time because either the plant or the workmen are producing too much. This has happened within the last two months repeatedly in the de Havilland aircraft plant, and I am advised that one man at least was discharged from this plant and the reason given was that he was producing too much. I am also advised that the workmen have been laid off every week-end, usually Saturday and Sunday, for the last six weeks and there seems to be definite indications that during the next month there will be lay-offs of a week at a time. This plant is only turning out about one plane per day and it has previously turned out three and one-half to four planes per day and I am assured that it is capable of turning out five every day in the year. This is a—

I will not use his adjective.

—condition if we are only working at 20 per cent capacity while a shortage of supplies is reported on the battle fronts. We must as Canadians hang our heads in shame as we witness—

The losses we have suffered. I will not read the next section. Then he continues:

I am also advised that one of the foremen in the general engineering plant at Scarborough was given instructions that he was not to produce more than 1,300 units where he had showed the ability of producing 2,000 units of work.

This is the plant I just referred to as having a housing condition.

The reason which has been given to avoid the responsibility of slackness of work is that there is a shortage of material. I cannot accept this reason since the shortage seems to be a refusal on the part of the government to give the necessary permit for these materials. Surely with the man-power, skill and natural resources which we have in this country there need be no such reason advanced. I have recently been advised by an employee—

In the same community.

—that they were held up for certain steel clips which could be purchased in the retail stores of this city. If one goes through this plant at the present time they will find the washrooms full of people loitering around and they have been told by their foremen to keep out of sight as much as possible. On one occasion an employee at the de Havilland Air Craft was required for some work and when they finally found him he was fast asleep in one of the unfinished planes along with six others who were also asleep. Surely this is not the type of thing we are paying for in taxes and government loans. . . .

One of the difficulties seems to be that a great many of the contracts from the Canadian government are on a cost plus 10 per cent basis. This is putting a premium on waste. It is quite obvious that if a company could waste $50,000 they could make a profit of $5,000 and men unfortunately are not unselfish enough to prevent them taking advantage of such a situation. No doubt the contracts should be revised and be on the basis of the contracts given by the British government which are on

the basis of a fixed price for each plane turned out. This would spur the management on to increased production rather than the demoralizing condition at the present time. I know that the latter type of contract leaves a loophole for excessive profits being made but surely the cost of any unit of work can be easily established by the proper officials.

I appreciate of course that the building of these plants was too rapid to immediately iron out all the difficulties but it seems strange that things which are so obvious to the ordinary workingman should not be taken into consideration by the management . . . .

It is well known that when General McNaughton inspected the war plants there was a great show of activity put on for him which must have given him an erroneous impression of the actual condition.

I am not giving you this information merely to knock the government but to find if there is some way of spurring on our production. I can give you the details of a great many of these matters and if you deem it of sufficient importance I shall be glad to see you at your convenience when you are back in the city . . . .

In some correspondence which I have had with Ottawa an official has made this statement "I have found that the opposition in parliament seems particularly ineffective in any complaint they (my clients) might make and I believe that much more favourable results could be obtained by dealing directly with the department concerned".

Why are we ineffective? I think the minister knows why; I think the chairman knows why; we all know why—we are so anxious not to do anything which will injure our war effort. But here is the feeling of a constituent: we are ineffective because we do not complain.

I may say that one matter which I took up with them regarding one of the war plants was seriously considered and I spent two hours with the management. However, the matter has not been entirely cleared up yet. I am satisfied that the Canadian people will not tolerate such conditions existing if they once become aware of them.

Mr. HOWE: If I may interrupt for a moment, does not my hon. friend think he takes quite a responsibility in spreading a letter like that on the record? He says he does not know the writer. I can assure my hon. friend that a number of statements in that letter are wholly untrue. Does he think it is wise to put that sort of thing on the record with his sponsorship?

Mr. HARRIS (Danforth): If I may finish my statement, I extend to the minister the same courtesy he extended to me on a previous occasion when I interrupted before he had completed his statement. I know that some of these instances are overdrawn.

Mr. HOWE: Some have no foundation at all.

[Mr. J. H. Harris.]

Mr. HARRIS (Danforth): I will take the minister's word for that. But I know that some of them must have some foundation in fact, and in that connection, inasmuch as an officer has been appointed to build up morale in this industry and iron out some of the difficulties, the government might be well advised to put at the disposal not only of these organizations but of those dealing with them, some official who is paid and whose expenses are paid by the government. Industries have such officials, openly, public relations officers. Our bureau of public information is useless and impotent with regard to a condition of affairs such as is mentioned in this letter. It is a bureau of public information; it has no dealings with the pharisees over here except to gather information and disseminate it. There is nothing in that department that is of any help in ironing out the state of affairs mentioned here by my constituent. When our friend Ralph P. Bell was mentioned in connection with an incident which was supposed at one time to have been closed and then later was opened by one of the hon. members from Vancouver and the hon. member for Cumberland, and which I now consider open; when an indiscreet letter of his came to the surface, there came to the mind of all of us the question, how many more in other departments are functioning in like manner? If work of that kind is going to push on our war effort, well and good; let it push it on, but let the facts be made public so that they can be reviewed. It is not enough for any hon. member to rise in his place and defend indiscreet actions of this kind by saying: "I have known the gentleman for ten years or fifty years, and he is an honourable man; he has push and energy and vim and vitality," and all the rest. If something indiscreet happens it is not that department only we are concerned about; we are worried about others.

I am worried about the Hull Steel and Iron Foundries, as to where the money came from to pay for those half-page advertisements. It came out of their treasury, no doubt; but when I find that they are participants in government contracts I wonder where the cost of all that advertising boosting our war effort comes from. I wonder whether it comes out of cost-plus contracts, and whether when that 5 per cent is added to the 100 per cent of cost of that work we did not pay these aircraft companies $105 in order to get $100 worth of work. I know Mr. Hirst; he has been a customer of mine and I a customer of his ever since I have been in business. He is an admirable man, a man of energy and all that, but this is not the place to speak of personalities; this is the place to discuss and lay

down principles. All those charged with any part of our war effort must keep constantly in their minds the fact that they are discharging a public responsibility and are open to the searchlight of those in this chamber who also are responsible for serving their constituents.

When we are charged with being ineffective as an opposition, with acting as though there were no war on, let me say this. We could hold this house in session, as perhaps it ought to be held, twelve months a year, six or seven days a week, dealing with all the work the government is trying to do. But we are more anxious to serve and to help. We are not ineffective. In the main we hope that we are effective. The indiscretion of the Bell transaction which was revealed in this house is almost unbelievable. Of course it is unfortunate; I say it is inexcusable. I say the policy which was followed during the last war should have been followed in this case. At that time an hon. member of this house, enjoying the confidence of his constituents, was found to be dealing in horses being sold to the army. One of his colleagues, operating a drug business in a very small way, also was found to be selling drugs to a nearby military establishment of some kind or other. I refer to the late Mr. Garland in connection with the drug transaction, and the late DeWitt Foster in connection with the horses. What happened? They gave up their seats in this house at the request of their leader of that time; they were read out of the party. Later, of course, they regained the confidence of their constituents and found their way back into this house. They were honourable gentlemen; who will say nay to that? The person concerned in the present instance is an honourable gentleman; no one will say nay to that, but a principle is involved, and we should be very serious about it.

At four o'clock to-day I am supposed to be serving on the war expenditures committee. This is a rather innocuous and impotent sort of organization, but in our anxiety to help we are willing to serve in any way. We are not touching one-tenth of one per cent of the problems facing us, but we are glad to give whatever help we can. I ask the Minister of Munitions and Supply to make available to that committee the balance sheets of all organizations enjoying government contracts on a cost-plus basis. I ask that the minister give instructions that payments such as those gathered together by Ralph P. Bell be not permitted to be included in the balance sheets as a charge in the operation of these companies. Have that practice stopped forthwith. I also ask that all organizations which have been advertising in support of the government's war effort, and I have in mind particularly the outstanding company in that connection in this geographical area, be reviewed in order to ascertain how the cost of such advertising is paid. I will let the matter rest there. I am sorry the hon. member for North Battleford has gone out; I wanted to say a word about that constituency, but I will wait until another occasion unless she returns to the chamber before I am finished.

My next word has to do with gasoline. I agree with what the hon. member for Brantford City had to say as to commercial travellers being reduced so suddenly to the A category. I believe this situation ought to be reviewed. I should have preferred, in this part of Ontario at least, cutting down the number of gallons permitted to all categories. I have had five or six letters from men who are not exactly commercial travellers but who are tradesmen who have to go hither and yon, who have been reduced to the A category. I think another policy should have been adopted, that of reducing the gasoline allowed to all those driving for pleasure. You might make a corresponding reduction in the other classifications, if that is necessary, but the gasoline allowed pleasure seekers should be cut down. I do not see why on Saturday afternoons, Sundays and holidays officers could not stop people speeding along the highways in their motor cars and ask them to produce their coupon books. If they are found to be in the categories permitted a large gallonage, then put them back to A category. That is what should be done when we find them wasting gasoline on pleasure; and at the same time the A category might be reduced also.

I am going to make one further suggestion; that is, that the war expenditures committee be given by the minister full details of all capital assistance and all working capital that has been furnished by the government. Put it all on record so that we may know exactly what is going on. What I have in mind is that with industry at its present pitch in Canada it should not be necessary for us to supply very many large organizations with working capital. I believe that in the operation of their whole organization they could very well provide their own working capital. That is to say, if they have one small contract, why should they isolate that from the larger part of their business and require government working capital, when their business could very well finance its own working capital? I would

ask that in the provision of this working capital, the very minimum amounts should be provided.

I have just one other observation. I think we should realize that we have been a little late and a little slow in a good deal of the work we have been doing. I believe the entire energy of government should be directed to the war, and we in this chamber ought to slow down on matters that have to do with reconstruction and the lectures we get from university professors as to what is going to happen after the war. Let us put all our energy into the war effort.

Mr. HOWE: I should like to say a word with respect to the remarks of the hon. member for Danforth (Mr. Harris). He has conveyed the definite impression that it is the practice of the department to award contracts on a cost-plus or percentage basis; a great deal of his speech dealt with that point. I have stated in this house repeatedly that this is not the practice of the department. In very exceptional circumstances we may award a contract of that kind; I am not saying we have never done so, but it is very unusual. My hon. friend pats himself on the back for his willingness to serve on the war expenditures committee. I am not sure that this will be very much protection to us; for he has been on the committee a year now and surely he should know, the fact should have impressed itself upon him by this time, that we do not award contracts in that manner. When he states that a man can crawl inside an aeroplane, go to sleep, and make money for the company, he is very far afield indeed.

I think it is questionable practice to read in this house a letter received by the hon. member from a man he says he does not know, especially when that letter contains very damaging statements against Canadian war contractors and Canadian workmen. I think at least the hon. member ought to be able to sponsor the man who wrote the letter which, since he does not know the writer, comes to him practically as an anonymous document.

Mr. HARRIS (Danforth): It was the thought in the letter I wanted to get across.

Mr. HOWE: I have heard before the statement as to great activity when General McNaughton viewed the plants. Could anything be more absurd! Those plants are running on an assembly line basis, and they could hardly speed their belts up only when General McNaughton was in the plant. They run as fast at one time as at another.

With respect to the aeroplane business, I have said before in the house that it is not possible to schedule those plants as you can an assembly line or mass production plant, especially when the tooling process is on. The hon. member has spoken about aircraft plants reducing production. I know the plant to which he is referring, and that particular plant is closing off its old line of production in order to produce four-engine bombers. It will be some time yet before that four-engine bomber comes out of the plant and before its production will therefore be heavy. If these matters were taken up one at a time, and if denouncements were to follow a full exposure of the facts, it would be much fairer to war industry and to war workmen than to have the reading of a letter such as has been read.

I also resent bracketing Ralph Bell, in my department, with DeWitt Foster and a former member who was in the drug trade. It is quite obvious, I think, that no hon. member suggested that any of that money went into Mr. Bell's hands or into his pockets, at any time.

Mr. HARRIS (Danforth): I did not bracket them, nor did I suggest it. I did not suggest for one moment that any money was used improperly, I just told what had happened in the last war.

Mr. HOWE: I am glad my hon. friend has cleared up that point, and indicated that he is not bracketing Mr. Bell with those two men. Perhaps we had better let it go at that. The situation has been discussed at some length. I stated I agreed that the letter was quite improper, and when it came to my attention I took steps to correct what had been done. I think it was generally accepted by the house that it was done more by way of an effort to get on with the job than through any desire to break the rules; that that was what prompted Mr. Bell to write the letter. I make these remarks in order to correct any impression which may have been left by the observations of the hon. member.

Mr. SLAGHT: I desire briefly to call the attention of the minister and the government to a matter which I believe to be of great importance at the moment. It has to do with a new process for the manufacture of rubber.

A few days ago I endeavoured to place a question on the order paper, but I had not given notice the day before and Mr. Speaker quite properly ruled that I should not proceed. This is the first opportunity I have had of personally bringing the matter to the minister's attention.

Before a subcommittee of the senate in Washington a few days ago Mr. Wickard, secretary of agriculture in Mr. Roosevelt's government, urged that there be an extension of

the government's programme of making synthetic rubber by using grain alcohol produced from surplus wheat and corn. He stated that the use of 80,000,000 bushels of grain would make 200,000,000 gallons of alcohol, which in turn would produce sufficient butadiene to make 240,000 tons of synthetic rubber, or about a third of the normal needs of that great country. Mr. Wickard further told the committee that after full discussion with members of his technical staff he was convinced that immediate attention should be given to expanding their programme for the production of synthetic rubber, and that it could be accomplished in 1943—that is, next year.

We in Canada are all agreed that the rubber situation in relation to the war effort is extremely acute. In the non-war effort we find ourselves about to be more severely restricted in the use of rubber on motor vehicles. I understand some preliminary steps have already been taken, but I would urge upon the minister that he send experts in research from his own department—because we have many competent engineers—to confer with the technical advisers of Mr. Wickard who have told him that this process is feasible. We should pursue an immediate and vigorous policy, if our experts confirm that statement, in creating plants at once in Canada to convert our surplus grain first into alcohol and then into rubber.

In Canada we have at least 400,000,000 bushels of wheat stored in our elevators. We have carried a similar surplus for many years. Although somewhat restricted, this year's crop will no doubt add to that surplus. Surely if this information be accurate—and I have investigated Mr. Wickard's reputation—we should proceed. Mr. Wickard is secretary of agriculture, and he is also an engineer who attained high academic degrees. He is a practical man who has been successful in his own business. This is a matter of such great importance that I suggest we should rush our investigation. If the process is found to be sound we should immediately divert some of the money in these estimates to the installation of substantial plant facilities.

If 80,000,000 bushels of grain produces 240,000 tons of rubber, and if that be sufficient to supply one-third of the normal needs of the United States, then 40,000,000 bushels of wheat from our surplus used for that purpose would more than supply the entire needs of Canada for a whole year for all war purposes, and would leave a plentiful surplus for use on our own civilian commercial vehicles. In my opinion this offers to the government one of the greatest opportunities for quick and aggressive action. I suggest that it put money into at least one large trial plant, and then follow it up so that the acute rubber situation may be relieved.

Mr. MacNICOL: I wish to speak briefly about the production of magnesium metal. Anyone who has been associated with the iron and steel industry for many years, as I have been, naturally would come in contact with questions connected with magnesium metal. At the conclusion of my brief remarks I am going to ask a number of questions, and I shall now send the minister a copy of them. He may not wish to answer to-day, but if he chooses to do so, he will have the list before him. If, on the other hand, he wishes to wait until to-morrow, I shall be content.

Magnesium metal is not a new metal, as many would be inclined to believe. During the last war magnesium metal was made at Shawinigan Falls in the province of Quebec by one of the most expert engineers in Canada of that time. He was well qualified in connection with everything pertaining to the subject of magnesium metal. It is a most necessary war product and perhaps Canada should have been making it or at least starting to make it before war broke out.

It is not the lightest metal as most people believe, although it is the lightest commercial metal now produced, being only two-thirds the weight of aluminum. Lithium is the lightest metal. After I decided to go to Great Slave lake I had a discussion with an engineer, and he told me that I would find a great deposit of spodumene, the raw product for lithium. However, when I reached there I found the deposit was over on the north shore, too far for me to go. Lithium is the lightest metal, being one-half the weight of magnesium metal, but it is not produced commercially to-day. I believe we are now using from one to two thousand pounds of magnesium metal per plane, depending upon the type of plane being manufactured. Magnesium metal is used in the manufacture of bombs. It is used in the manufacture of planes for the very sound reason that it is so much lighter than aluminum and therefore permits the plane to travel faster and farther and carry heavier loads. Anything the government is prepared to do in connection with the production of magnesium metal I am sure will have the support of this house.

Last year, I believe on June 14, I asked the Minister of Mines and Resources (Mr. Crerar) if anything was being done in Canada in connection with producing magesium metal. He stated that some distance up the Gatineau river a plant was being erected. The next

thing I heard about the production of magnesium metal in Canada was a statement in the press that a plant was being built some distance west of Ottawa. What I am interested in particularly is whether a thorough investigation has been made into the system or process to be used to produce magnesium metal in this country. Engineers in Canada have developed processes. Some time ago I was taken over to a plant in Hamilton by the associate editor of the *Monetary Times,* Mr. H. E. Willmot, a very bright gentleman who makes a number of investigations into matters of this kind. This was a small pilot plant where a process was being developed. I am not just sure where the plant was located but it was not very far from the gun factory being operated by the Westinghouse company. In this plant Mr. Ralph Keemle, in my judgment one of the best engineers in the country in this line, was producing magnesium metal by a thermic process. I do not know whether the government investigated this process, but it has been tested by the university of Toronto and, I was informed, commented upon favourably in the press of the United States.

Before an investment of $2,500,000 or more is made in a process to manufacture magnesium metal, I believe experienced engineers, men who know this subject, should be invited to advise as to the best process to be used to manufacture magnesium metal. In the United States the WPB is now the headquarters of a special branch or board that has gone into and is going into most carefully all the processes in use in that country. They are undertaking to produce magnesium metal in a very large way. Whether we have done that in Canada, I do not know; but, if not, I think we should. The matter is too important not to be thoroughly investigated before money is invested in a plant. I do not say that this matter has not been investigated; I do not know, and perhaps the minister will tell us.

According to *Business Week* of January 10, 1942, there are now several companies in the United States manufacturing magnesium metal. The principal manufacturer is the Dow Chemical company. I believe the system used by this company was used at Shawinigan Falls during the last war, although I make that statement only from what I was told by an engineer. The Dow Chemical company system is well known and has been used continuously in the United States. The *Globe and Mail* of May 14 contains this paragraph:

> Up to now the magnesium used in United States fighting aeroplanes has come from the brine wells and sea water plants of the Dow Chemical Company.

The Dow Chemical company have always produced magnesium metal either from brine wells or from sea water. They produce in a big way. This year they have projected to produce some 63,000 tons. There is nothing new about the system used by this company. It has been thoroughly tried out and has given splendid results. Whether it has been investigated here, I do not know. Another large producer is the Basic Magnesium corporation which produces magnesium from magnesite, which is said to contain more pure magnesium than any other matter. This company is undertaking to produce 56,000 tons this year. The Diamond Alkali company and the Mathieson Alkali works in the United States produce magnesium metal from dolomite. That is what the Hamilton inventor, Mr. Ralph Keemle, used. There are vast quantities of dolomite between Hamilton and Georgian bay and the magnesium metal is produced by the thermic process.

During the last war there was an engineer in Ottawa whose name has just slipped my mind but who was sent out to investigate the dolomite to be found at Portage du Fort. He reported that at that point in Quebec there were over a billion tons of brucite, which is very much like dolomite but perhaps a little stronger. This raw material is available for the production of magnesium metal, and there are electrical potentialities in the Ottawa river nearby. Electrical power is needed in the production of magnesium metal. International Minerals and Chemical corporation uses brine and sea water to produce magnesium metal, the same as does the Dow Chemical company.

There has been a good deal in the press lately about the Permanente plant in California which appears to be going into production. I have an article here, taken from the *Globe and Mail* of May 14, which says:

> The entire United States supply has been coming from a salt water process. But now in San Francisco area a plant is in operation successfully extracting magnesium from dolomite rock.

There is nothing new in that because, as is well known, dolomite is the basis of several processes for producing magnesium metal.

All I ask is that before Canada embarks upon an expenditure of from two to five million dollars to make magnesium metal by what is called the ferrosilicon process, every tried and true system first be investigated as well as the process developed in Hamilton by Mr. Ralph Keemle, known as the thermic system.

I read a few days ago that the Tennessee Valley Authority in the United States, which I presume is under the direction of the government of the United States, is going to produce magnesium metal from olivine. That

is a chrysolite with a good deal of magnesium in it, indeed more than in anything else except magnesite itself. What process are the Tennessee Valley Authority going to use? It is a tremendous corporation, and I presume that before going into production it will investigate every available process of producing magnesium metal. What is Canada doing?

I read an item in the press some time ago which announced the production of magnesium metal in Canada. It was a Canadian Press dispatch, dated March 17. I quote it:

> Formation of a new government-owned company to be known as Wartime Metals Corporation was announced to-day by Munitions Minister Howe. The new company, said Mr. Howe, will assume responsibility for arrangements that have been made for the production in Canada of metallic magnesium and for any other emergency projects that may be undertaken for the production of war metals.
>
> Between $5,000,000 and $6,000,000 will be spent by the federal government—

on this project.

Another item in the press on March 21 states that the amount to be spent will be $2,600,000. In either case a very large sum of money is to be spent.

I have been told that Mr. Keemle, of Hamilton, believes a 2,000-ton plant using his process would cost $500,000. We read in the press that the plant which the government has in mind putting up at a cost of between two and five million dollars will not produce very much more magnesium metal. I read this in a Canadian Press dispatch, dated May 17:

> Actual production at Haley's Corners is expected to begin by mid-summer with an output from the initial units of two tons of the metal per day. As additional units are built this rate will be progressively stepped up to ten tons per day. Later twenty tons a day will be produced.

Producing twenty tons a day for 365 days a year would give a total production of 7,300 tons from an investment, according to this dispatch, of between five and six million dollars.

According to what I read in the press—and that is the only place where we can get information about it—the process to be used by the government is the ferrosilicon process. I am not intimating for one moment that the ferrosilicon process may not be the very best possible process. We have not heard anything about it officially. I know the minister will likely say something about it when he replies. Perhaps it is the best possible process, but I should like to hear what the minister can tell us about it.

I would also ask the minister to tell us about the set-up of the company which was originally known as the Dominion Magnesium company; later the name was changed, or a subsidiary company was formed called the Wartime Metals corporation, with 150,000 shares of stock, which is to be divided between several companies, one-third, or 50,000 shares going to Bobjo and God's Lake mines; another one-third or 50,000 shares going to the Moneta Porcupine mines, and another one-third, or 50,000 shares, going to Ventures, Limited. Where does the government come in? If the government puts up all the money, how is it that these companies possess all the shares? It has been intimated in the press that a good deal of experimental work has been done in this connection by government engineers of the national research council. Then where does the government come in on the shares? How do these companies come in for something that was produced by the national research council I presume, on government time and at government expense? If the government has initiated this process, and it is, I hear, an excellent process; I have no reason for thinking otherwise—why does the government not take the whole thing over and produce magnesium metal itself. It is immaterial to me personally who produces it, but I should like to have some information on the set-up.

I shall conclude by asking some questions, but first let me say that I do not want the minister to feel that I am in any way criticizing him or passing any unfair comment upon this matter. I would not do that. I am simply looking for information, because I feel it is my duty to do so, having been for a long time associated with the iron and steel industry and having had a lengthy experience with many different kinds of metals. I am going to ask these questions which the minister may answer to-day or when he sees fit:

1. Was the ferrosilicon process evolved by national research council, in the national research council quarters, at government expense?

2. If so, would Dominion Magnesium have to obtain the consent of the minister to sell this process in the United States? It was intimated in one newspaper that that may be done, although I have not read of any United States company using the process. Nevertheless one or more United States companies may be using the process.

3. If the dominion advances, $2,600,000 for a plant to use the ferrosilicon process, how is it that the 150,000 shares of the Dominion Magnesium company are owned by the mining companies I have named?

4. If any profits accrue, to whom do they go?

5. Has the department (a) the percentage purity of ferrosilicon needed in the process to be used, and (b) the number of pounds of ferrosilicon needed to produce one pound of metallic magnesium in the process to be used?

6. What is the estimated power consumption in kilowatt hours to make one pound of ferrosilicon?

7. What is the estimated power consumption in kilowatt hours to make one pound of magnesium metal?

8. Where is the electric power to come from? There is no available power around here, unless it can come from the Gatineau or unless the Ottawa river is dammed at Carillon or somewhere further up the river; and this process takes a very large amount of electric power.

9. What is the cost per pound of magnesium metal if made by the process the government has adopted?

I am informed by the Hamilton people that they can produce magnesium metal for ten cents a pound. I do not know whether they can or not. If their system has been investigated, I am sure the department would know.

As a member of this house I am anxious that we should produce magnesium metal as cheaply as possible, according to the best process possible, and as quickly as possible.

Mr. HOWE: Several questions have been asked, and perhaps it will be more convenient if I keep fairly up to date.

First, as to the use of wheat for the manufacture of rubber. I announced in the house or in the press a month or two ago that we are embarking on a large programme for the manufacture of synthetic rubber. We expect to spend around $40,000,000 for the purpose, and our experts have been at work on the project for some weeks.

Synthetic rubber of the buna type, which has been agreed upon as a desirable type to replace natural rubber, of which it has practically all the qualities, is made of two ingredients. One is butadiene and the other is stearine. Stearine is made from the products of coke ovens, and is quite a process in itself. Butadiene can be made in several ways, one of which—from petroleum—we have been investigating up to this time, and to which we are very favourably disposed. By cracking petroleum by a certain process we can produce butadiene and several other products. An alternative method is to make butadiene from alcohol. Alcohol, of course, is made from wheat or some other cereal by a fermentation process.

[Mr. MacNicol.]

We are collaborating with the United States on this problem. The petroleum process was favoured above all others. I may say that these processes are by no means perfected on this continent. The best information available indicated that the manufacture of butadiene from petroleum was a cheaper and more efficient method than by the use of alcohol. The study of production from alcohol has been advanced recently. Not long ago I asked an experienced Canadian chemist, president of the Ontario foundation, to go to the United States and collect all available information on the manufacture of butadiene from alcohol. I talked with him on the telephone to-day just before I came in the chamber, and learned that he is to be here next Tuesday with one or two experts from the United States to give his report. His thought is that the production of butadiene from alcohol can be brought about more quickly than from petroleum, and his suggestion over the telephone I took to be that the two processes be combined; that is, that a portion of our requirements would be provided from alcohol and a portion from petroleum. In any event I wish to assure the hon. member for Parry Sound that we are keeping very close watch on developments in both fields, and we hope that the solution we adopt will be the best available.

In the matter of magnesium metal, of course the uses for magnesium metal in this war have grown by leaps and bounds. Being a light metal, stronger than aluminum, it is used extensively in the manufacture of aeroplane engines and certain fittings of aeroplanes, and it also has an extensive use in the manufacture of incendiary bombs. The known and proved processes—there are two—for the manufacture of magnesium are: the Dow process, mentioned by the hon. member for Davenport, which has been principally used on this continent, and the magnesium electron process, which has been more generally used in Great Britain. The latter process originated in Germany.

Mr. MacNICOL: Is that the one they call Murex?

Mr. HOWE: I do not know. I have not heard it called by that name; I have always called it the magnesium electron process. The product is, of course, exactly the same by either process; it is pure magnesium metal. Both processes require a very large capital investment, and both require considerable time to build.

At the outbreak of the war there was a great expansion of both processes. The Dow

Chemical have expanded their production many times, and Magnesium Electron are building a very large development at Las Vegas, California and Nevada.

It has been the feeling of those who know the chemistry of magnesium that there is a better and more efficient way of producing magnesium than by the chemical process, and for several years experiments have been going on with a view of production by a thermal process. Several thermal processes have been developed. Magnesium Electron have their own process in England; it has been under experiment, but they have never brought it into successful production. The plant at Permanente mentioned by my hon. friend employs another thermal process. I am glad to have his assurance that the plant is now producing metal.

Mr. MacNICOL: It was so reported in the newspaper.

Mr. HOWE: I know that it has been on the point of production for a considerable time, but I have not heard that it is in actual commercial production. The difficulty in the thermal process is not in making the magnesium but in collecting it. If a faucet is turned, instead of getting a liquid we get flame, and the result is a very highly divided metal which is inflammable the minute it is touched by oxygen. The difficulty has been to collect the metal after it is manufactured in this final, divided form. General McNaughton undertook the study of the thermal process some years ago, and experiments have been carried on in our own laboratories for a considerable time. Doctor Pidgeon did develop a process which was entirely practical in the laboratory. Of course it is difficult to use a process direct from the laboratory. By what means I do not know, but a group of mining men was formed to prove the so-called Pidgeon process. The company was called Dominion Magnesium. Subscriptions were obtained from various mining companies. I think around $50,000 was expended in building in Ottawa a full-sized unit. A full-sized furnace has been installed and vacuum tubes have been developed to collect the magnesium. The plant has been in operation here for some time. It has been making magnesium on a commercial scale, and that magnesium has been sold as metal for use in aeroplane construction.

When we decided to manufacture magnesium we first looked at the chemical process. We investigated the Dow process, and the magnesium electron process, and a new process in which the Consolidated Mining and Smelting corporation were interested.

Mr. MacNICOL: Was the Keemle process investigated?

Mr. HOWE: Yes, if you can call it a process; it has never been proved. The difficulty with all of these processes was that the capital cost was enormous I think some $10,000,000 for a production of 5,000 tons per annum.

We were also faced with the fact that the chemical process is an obsolescent process. It seemed that we should risk something to get a satisfactory process rather than take a process that would produce an expensive magnesium that would place Canada at a disadvantage with other countries.

We investigated the Pidgeon process very thoroughly. We had experts from New York —the best metallurgists we could find who looked into the process and gave it their blessing. We had here an expert from England who was not sympathetic to the process, but he also recommended it. It seemed to him that the process had proved itself. We decided that we would go ahead with the Pidgeon process. The patents were owned by Dominion Magnesium company—

Mr. MacNICOL: Were those patents obtained on the results achieved in our own laboratories?

Mr. HOWE: Yes.

Mr. MacNICOL: How could you get a patent?

Mr. HOWE: Doctor Pidgeon, who developed the process, is an officer and a shareholder of the company. What arrangements were made with the national research council I do not know; I never inquired.

Mr. MacNICOL: Is he an employee of the government?

Mr. HOWE: Not now. He was at one time. I presume the national research council were compensated. However, I simply took the patents as they were. I discussed the matter with Dominion Magnesium company. The company offered to do the engineering on a full-scale process. Obviously the next stage is a full-scale plant, and they offered to do the engineering of the plant without charge to the government and to put their patents and other assets at the disposal of the government for the duration of the war and six months thereafter without cost. The plant is being built by and will be owned by

the federal government. The land, the quarry and the plant itself are owned by the federal government. Dominion Magnesium are furnishing the engineering, and the understanding is that an arrangement will be made that Dominion Magnesium will operate the plant for the government on a management fee basis. I should be glad to lay on the table the contractual arrangements between the government and Dominion Magnesium.

This transaction has very little to do with Wartime Metals Limited. Wartime Metals Limited is a wholly-government-owned corporation, set up to act for the government in several mining developments which the government has in hand or under examination. We are developing a chrome property in the eastern townships and are examining other properties with the thought of developing them for scarce strategic metals.

Mr. CASTLEDEN: Anything in iron ore?

Mr. HOWE: No, we have undertaken nothing in iron ore. Dominion Metals has supervision over the construction of the magnesium plant and will have supervision over the contractual relations with Dominion Magnesium, and with the operation of the plant. But I would emphasize the fact that the plant is owned by the government and will be operated by the government through a management fee contract with expert operators. So that the Dominion Magnesium company will make no profit out of the government.

I am not certain, but it is my impression that the contract also provides that Dominion Magnesium will manage the plant for the government without fee. I will lay the contract on the table.

After we decided to use that process the United States took a great interest in it. To-day I am told they are investing about $100,000,000 in plants built under the Pidgeon process.

Mr. MacNICOL: The government of the United States?

Mr. HOWE: Yes. It is government capital, although, just as Dominion Magnesium are acting for us, various firms in the United States are acting as agents for the United States government. It indicates that the pioneering work done by Doctor Pidgeon and by the research laboratories will bear splendid fruit if the process turns out as we expect.

Answering the hon. member's questions:

"2. Would Dominion Magnesium have to obtain the consent of the minister to sell this process in the United States?" The answer is no. The patents are owned by them. However, I understand that a very reasonable arrangement has been worked out, on a small royalty basis, which is quite satisfactory to the United States.

"3. If the dominion advances $2,600,000 for plant to use the ferrosilicon process, how is it that the 150,000 shares of the Dominion Magnesium company are owned by the mining companies I have named?" I may say that the advance of $2,600,000 is to build a plant for the government. The ownership of the magnesium company is with the companies that subscribed to the development cost of the process.

"4. If any profits accrue, to whom do they go?" The answer is that there will be no profits. The government plant will be operated at cost.

"5. Has the department (a) the percentage purity of ferrosilicon needed in the process to be used?" To the best of my information it is not a ferrosilicon process; it is thermal reduction of dolomite.

Mr. MacNICOL: According to the newspapers it is ferrosilicon.

Mr. HOWE: I do not think that is correct. There is no ferrosilicon in it that I know of. We always call it a thermal process, from brucite or dolomite. A plant is being put in to manufacture magnesite from brucite, which is the first stage. We are taking magnesite from an operation in Hull until the quarry operation is further advanced at the location of the plant near Renfrew.

As to (b), the number of pounds of ferrosilicon required to produce one pound of magnesium, there again I think my hon. friend is mistaken. In regard to the estimated power consumption, all I can say is that we are building a plant to turn out ten tons a day, and we are using about 18,000 horsepower. That is about all I can tell my hon. friend at the moment. Of course this is not a process that has been demonstrated on a large scale. When I am asked the production in pounds per day, I cannot say.

Mr. MacNICOL: Then it is more or less in the nature of a pilot plant?

Mr. HOWE: A pilot plant is one thing, and a large scale operation is something else. I do not wish to be too specific about costs. They depend on the life of the furnaces and the tubes, very largely, and that has yet to be demonstrated in the large-scale operation. Then my hon. friend asked where the electric

power comes from. The area is served by the Ontario hydro-electric power commission, and a new development is being carried out there.

Mr. MacNICOL: Above High Falls?

Mr. HOWE: Yes, but there is quite sufficient power available at the moment.

Mr. McNIVEN: By whom is the power plant being constructed?

Mr. HOWE: By the Ontario hydro-electric commission. Then I was asked as to the cost per pound of the magnesium produced by this process. I will be very anxious to learn that, too, but we think it will be cheaper than the chemical process, and the development will be brought in many months sooner than it could have been if the chemical process had been used. We expect to get into production by July.

Mr. MacNICOL: Is there no estimate of the cost per pound? I read in one report 19 cents and in another 38 cents.

Mr. HOWE: The market price of magnesium to-day is around 33 or 34 cents, buying it from existing sources. We expect to get it for about half that, but I would not care to be too specific about it.

Mr. LACOMBE (Translation): Mr. Chairman, the aims mentioned in the resolution now under study will not be achieved until the government ceases to hinder our agricultural production by exempting from military training farmers, farmers' sons and the farm labour so essential to our first line of defence, which is agriculture. If the farmer is to be drafted into the army and have all his requests for postponement of training rejected, I fear that we are facing disaster. Why does not the government formally instruct military camp commanders to forward without delay to the proper boards the requests for postponement submitted by farmer draftees? There have been unpardonable delays in the forwarding of these very legitimate applications. Many are the aged or sick famrers still waiting in vain for the help they need to cultivate their land. This assistance is often so late in coming that sowing time and even harvest time may have gone by before the farmer's son can obtain the few weeks' leave so essential to agricultural production. The resolution which this committee is discussing at present provides for the granting to His Majesty of sums aggregating more than two billion dollars in the interest of our war effort. That is the sole aim of this measure. Indeed, each paragraph of this resolution calls for certain estimates as a result of the existence of a state of war and in the interest of our war effort. How is it possible to pursue this effort effectively unless we take the means to protect agricultural production, without which our army and the civil population of this country will go hungry? Why not establish in each Canadian county exemption boards for the purpose of reviewing the merits of all applications submitted to them? They could render their decisions accordingly. How many times have I not asked the government to do this in fairness to our farmers, to their sons and to the farm labour without which there can be no agriculture, Canada's most valuable contribution to the war effort and to the defence of this country?

My remarks apply also to the workers occupying essential jobs in the munition factories of Canada. Many are the young graduates of our best technical schools, who have been called up under the mobilization act. I know a certain number of young craftsmen who had acquired very valuable experience in our war plants, but who had to leave their jobs and report for training. Who is there to believe that a mechanic, an expert machinist, an experienced solderer, can be replaced adequately by an apprentice, or by what we commonly call a "dimwit."

It is ridiculous. Since when is it possible for a mere nobody to substitute his ignorance to the knowledge and experience of a thoroughly practical professional who is well prepared by serious study and hard work to solve mechanical problems which, at times, are so complicated? I have urged, in this house, the exemption from military service of workers who are indispensable to our munition plants production. All my efforts have been unsuccessful. These workers are still being called up for training.

With the hon. member for Gaspé (Mr. Roy), I urged that we refrain from calling up all persons who are essential to the fisheries industry. Here again our efforts have been of no avail. Nevertheless, our fishermen contribute a large share to the feeding of the army and civilian populations. I suppose that my remarks, made in the best interests of our country, will command the usual attention. Why should I care. I shall have done my duty. I shall not be responsible for a sin of omission. Neither shall I bear the shame of having neglected the defence of Canada, in allowing the government to ruin agriculture and industries which are essential to the safety of the homeland.

Here is another subject I wish to deal with: the pay allowed to our army, navy and air force. As long ago as January 28 last, I insisted on a higher pay for the army. I suggested that it be allowed $4 a day. I renew my request in this connection.

Mr. DUPUIS: Would the hon. member allow a question?

Mr. LACOMBE: If it is similar to those the hon. member generally asks, I am sorry, I will not allow it.

Mr. DUPUIS: Does the hon. member know that a soldier cost the government $11 a day, besides his pay?

Mr. LACOMBE: Certainly. It has been computed time and again. But I know that certain war plant superintendents receive $20 a day.

Mr. DUPUIS: They have to pay 75 per cent in excess profits tax.

Mr. LACOMBE: Is it fair for our soldiers to get an insignificant pay when war industry employees are sometimes paid as much as $8, $10 and $12 a day? I refer here to skilled workers and not to some superintendents who get as much as twice those amounts. The real soldiers are not sparing of their blood. Their country, for which they are willing to lay down their lives or risk their future if they survive the conflict, should not be so stingy in their remuneration, when money is plentiful and war contracts are distributed by the thousands to contractors who are building up colossal wealth. You might ask: where shall we find all the money necessary to allow such a high rate of pay? I shall give you and the hon. member for Chambly-Rouville (Mr. Dupuis) the same answer: tax, tax to the extreme limit the war profiteers who have sold and are still selling foodstuffs to our soldiers at a profit of 200 per cent.

Mr. DUPUIS: Name them.

Mr. LACOMBE: Canada Packers Co. If my hon. friend will follow me, I shall give him plenty of details in a moment. Tax those unscrupulous companies who, last fall, stored potatoes costing them 40 cents and 50 cents a bag, when bought from the farmers of Chambly-Rouville and Laval-Two Mountains, to sell them in the military camps for $2.50 and $2.75. Tax the millionaire who accumulates gold while our soldiers are shedding their blood. Tax the friends of the government, the suppliers of every kind whose most ardent hope is that the war may last so that they may increase their wealth.

There are some who keep their own counsel, and others who dare give utterance to their thoughts. Bring taxes to bear on the extreme inequality of worldly goods, such as the allied war aims, His Majesty the King and the Archbishop of Westminster have even recently condemned. Tax to the utmost the restricted group of capitalists who have for years exercised a dominating influence over economics, finance and government in Canada.

Should this appeal for social justice be not heard, should this call for justice and equity remain unanswered, what is to become of democracy? The question carries its own answer.

As regards the war effort, the province of Quebec has done her duty, her whole duty. Thousands and thousands of her sons have enlisted in the army, in the navy, and in the air force. She has amply contributed to the war loans. And when I urged, just now, the Prime Minister (Mr. Mackenzie King) to give our province the cabinet representation she is entitled to, I did so in the name of my fellow-citizens who have never failed through the years to shower honours and marks of confidence upon the Prime Minister. Quebec is the mother province in this country. Quebec is the pioneer province. She is a constituent element in the Canadian confederation. The Prime Minister is free to joke and make amusing remarks. We do not view the matter in that light, however. The hour is altogether too serious, sacrifices are too great for such an unjust treatment of our province to be perpetuated. I am not asking for any concession from the Prime Minister, but only for what is rightfully due. Since Quebec is engaged in this conflict, as is every other province in this dominion, the Prime Minister should treat her with justice and give her a voice in his cabinet. The recognition of this rightful claim is long overdue. In so far as I am personally concerned, despite the innuendos from the leader of the government, I have no wish for any post in his conscriptionist cabinet. I do wonder, however, whether the hon. member for Chambly-Rouville does not harbour fond hopes of his own.

Mr. DUPUIS (Text): Mr. Chairman, I had not intended to say a word this afternoon but in answer to the hon. member from the unique party, I am forced to do so for a few minutes.

Mr. LACOMBE: The Canadian party.

Mr. DUPUIS: The unique—not the union—party. He is a one-man power, as has been suggested. I do not wish to take much time, but I shall have to say a few words in French.

Mr. DUPUIS (Translation): I had no intention of speaking this afternoon. My hon. friend can give free rein, at this time, to his demagogic leanings. My hon. friend—

Mr. LACOMBE (Text): I rise to a point of order. The hon. member for Chambly-Rouville, is stating that I am making statements as a

demagogue. According to standing order 41 he is not permitted to do so, and I ask him to withdraw.

Mr. CRUICKSHANK: What were you making?

Mr. LACOMBE: I want a decision on the point, from the chair. I submit the hon. member must withdraw.

The ACTING CHAIRMAN (Mr. McCann): I did not hear the term used.

Mr. DUPUIS: If the expression does not suit the hon. member I will use another word.

Mr. CRUICKSHANK: I can give you a dandy.

Mr. DUPUIS (Translation): I can say to the hon. member, if he does not relish the term "demagogic"—

Mr. LACOMBE (Text): Mr. Chairman, I rise to a point of order. The hon. member has not withdrawn his remarks and is making another speech at this time.

Mr. CRUICKSHANK: That is more than you did.

Mr. DUPUIS (Translation): I wish to reply to my hon. friend. He is opposed to my using the term "demagogic". I was merely going by what he said. Naturally the truth is always painful.

Mr. LACOMBE (Text): The hon. member for Chambly-Rouville (Mr. Dupuis) is stating now that he told the truth a few moments ago, but he has not withdrawn.

Mr. DUPUIS: The whole thing is settled. I am sorry to have entered into this discussion.

Mr. LACOMBE: It is too bad.

Mr. DUPUIS: It is too bad that my hon. friend should take up the time of this committee by making the speech he has. Hon. members will be able to judge its worth by the translation to-morrow.

(Translation): My hon. friend said a moment ago that our soldiers were underpaid and that they should receive $4 a day. This is rather strange coming from the hon. member for Laval-Two Mountains (Mr. Lacombe) who has, on more than one occasion, stated his opposition to any participation in this war. Can it be that he has changed his mind on the subject? The hon. member is inconsistent. I fail to understand the reason for his acting in such a way. I know he has gone over to the other side of the house—

Mr. LACOMBE (Text): I rise to a point of order. The hon. member is making a second speech in answer to my speech.

Mr. MacINNIS: That is quite in order.

The ACTING CHAIRMAN (Mr. McCann): What is the hon. gentleman's point of order?

Mr. DUPUIS: He has none.

Mr. LACOMBE: Go ahead.

Mr. DUPUIS (Translation): I was saying, Mr. Chairman, that my hon. friend the member for Laval-Two Mountains (Mr. Lacombe) is inconsistent when he requests that our soldiers be paid $4 a day, after he has formed a party of which he is the sole member and leader—

Mr. LACOMBE: With the people behind me.

Mr. DUPUIS: With the people who subscribe so generously when he passes the hat around. My hon. friend is inconsistent since he opposed participation of any kind, which means that there should be no army, navy or air force. Now he urges that we pay our soldiers $4 a day, although he knows perfectly well that it costs the country about $11 a day to keep a soldier in the army.

He has referred to trusts. I am convinced that there is not, in this house, a single member favouring capitalists who abuse their powers. The hon. member for Laval-Two Mountains is not alone in condemning the attitude of capitalists who misuse their money and impose upon the working class. The hon. member for Laval-Two Mountains should be the first to state before this house and the whole country that the man who has made the greatest contribution, through his writings and his deeds, to improve the conditions of the working class and repress the endeavours of capitalists against the worker, is the Right Honourable Prime Minister of Canada, whom he is now endeavouring to discredit.

Mr. LACOMBE: May I ask the hon. member a question?

Mr. DUPUIS: Certainly.

Mr. LACOMBE: Would he tell me in what way I have discredited the Prime Minister in the speech I have just made. Let him quote my words.

The ACTING CHAIRMAN (Mr. McCann) (Text): I understand that both hon. gentlemen are speaking about matters that have nothing to do with the Department of Munitions and Supply. While I cannot rule that they are strictly out of order, I suggest to hon. members that they take advantage of the presence of the Minister of Munitions and Supply and deal with matters that have to do with his department. This is not a rule or regulation, but it is an arrangement which was made and which should be observed.

Mr. HATFIELD: I should like to ask the minister if a car owner living in New Brunswick near the Quebec border can drive across the border and get full value for his gasoline coupons?

Mr. HOWE: I am sorry but I cannot answer that question. I know of no regulation to prevent it.

Mr. HATFIELD: I understand that car owners living in the northern part of New Brunswick are driving from two to forty miles to the Quebec border in order to buy gasoline, and thus they receive three gallons more per coupon than they would in New Brunswick. They are wasting from one to two gallons of gas, and using up tires, in order to fill their tanks, receiving from six to eight gallons more. I should like to ask the minister when we can expect some relief from this discrimination between the provinces.

Mr. HOWE: If my hon. friend can help us with the submarine sinkings—I notice that last Friday we lost the largest tanker we had in the Canadian fleet—I may be able to answer his question. I am sorry, but I am not conducting Germany's war.

Mr. HATFIELD: It is not the fault of the people of New Brunswick that we are losing tankers.

Mr. HOWE: That is just too bad, isn't it? It is not the fault of the province.

Mr. BROOKS: In connection with this same matter, the minister accused me yesterday of casting aspersions because I suggested that there were reports that gasoline had been shipped from the maritime provinces to Quebec, and that if such were the case the maritime provinces should be treated the same as Quebec. Quebec is receiving five gallons per coupon while we in the maritime provinces have been reduced to two gallons per coupon. I did not have any clippings before me at that time, but I have since received a clipping from the Halifax *Chronicle* dated May 18. This article quotes no less an authority than the premier of Nova Scotia. It reads:

"We in Nova Scotia, I think, have demonstrated our willingness to cooperate in the war effort but cannot accept arbitrary discrimination," the telegram states. The premier recalls that, "with a refinery at our door gasoline for the maritimes has always been available at the lowest possible price." In referring to "discrimination" the telegram states "authorities claimed they were obliged to ship gasoline to Quebec at a loss thus preventing discrimination against Quebec. To-day, however, the situation is reversed and because there is a shortage at the Halifax refinery we are not on a par with the rest of Canada."

[Mr. McCann.]

I have just received a telegram from Saint John. Naturally the people are much concerned, and they are not altogether satisfied with the explanation the minister made yesterday in this committee regarding the shortage of gasoline in the maritime provinces. The telegram is addressed to me and reads:

We have to-day wired Hon. C. D. Howe as follows with further reference to our unanswered telegram and your statement in the House of Commons yesterday. We insist and are entitled to know why your department reduced coupon value. Your statements yesterday do not explain situation in view of the following. It is our understanding that at a meeting held in Halifax on May 11, coupons would not be cut as oil stocks would permit full coupon value for essential users, leaving balance for non-essentials. Why then your unexplained action? Was it done at the request of any oil company? Who were tank cars shipped to, and does the number exceed their nominal shipment by this means of transportation?

New Brunswick Automobile Dealers Association, J. W. O'Brien, President.

Saint John Automobile Dealers Association, R. M. Lawson, President.

The situation could hardly change so drastically between May 11 and May 17, the latter being the date, I think, when the unit was reduced from five gallons to two. I think the minister owes an explanation to the people of the maritime provinces beyond the brief explanation that he gave yesterday. As has been stated by members from the maritime provinces, if it is absolutely necessary that we have to suffer in the interests of this war effort we are willing to do so, but we do not feel that we should be asked to suffer more than any other part of the dominion. We are certainly bearing our fair share of the burden of this war down in those small provinces. Indeed, I do not think any portion of Canada can claim to have done more than we have done, if as much. In justice to the maritime provinces I think the minister should answer some of the questions asked in the telegram which I have just read, and which I will send over to him, and I would ask him to enlarge upon the oil situation in particular as far as the maritime provinces are concerned.

Mr. HOWE: I am surprised to hear it suggested that either I am or any of my officers are deliberately trying to keep the maritime provinces from getting gasoline. The situation is this. The maritimes are served from the Halifax refinery, as stated by the premier of Nova Scotia. Unfortunately a refinery does not produce gasoline unless crude oil is put in at the other end of the refinery, and the difficulty is to get crude oil at that point.

The sinkings along the Atlantic coast in the first two weeks of April were appalling, so serious that major shipping did not move for ten days following. If we had had five times as many tankers as we had, it would not have helped us because they were all tied up in harbours between south America and Nova Scotia. We are moving them out again, but as announced in the paper this morning the largest tanker we owned was sunk last Friday with considerable loss of life. Every ocean tanker that we have is in service to Halifax, and we are asking for all the help we can get from the maritime commission, who are facing exactly the same situation in New York state and the New England states that we have in the maritime provinces. The Portland-Montreal pipeline has been shut down for three weeks and we have had to depend on feeding Montreal from Sarnia. We have diverted all our tank-car space to Halifax. In addition, we had to move petroleum products from Sarnia and from Montreal to Halifax. I say quite frankly that we are not moving gasoline. We think it more important to supply the navy. We are moving heavy fuel oil and light fuel oil as best we can, and we are protecting the naval situation on the Atlantic coast and also the aviation situation. I do not know of anything that can be done that is not being done to get supplies of petroleum to the maritime provinces. The situation is exactly the same in New England.

Mr. BROOKS: Are tankers being used to carry supplies from Montreal to the maritimes?

Mr. HOWE: There are tankers on the way to the maritimes from Montreal. Naturally there is no source of supply in Montreal. The source of supply is the pipeline at Sarnia. Before we can move very much gasoline or oil from Montreal we have to move it from Sarnia to Montreal, and that takes tankers.

Mr. BROOKS: In Montreal and the province of Quebec the people are allowed the full unit of gasoline, five gallons. Could not the people of Montreal and the province of Quebec be asked to make a little sacrifice so that some of that gas could be sent to the maritime provinces?

Mr. HOWE: How would it help the maritime provinces if we have not transportation to take it there? It is a transportation problem. There is plenty of gasoline in the wrong place. If we have gasoline in Ontario, would it be of any assistance to reduce the unit from five to two gallons if we have not transportation to put any more gasoline into the maritimes?

Mr. O'BRIEN: Would it not be possible to divert to the maritime provinces, say one hundred cars destined from Sarnia to Quebec?

Mr. HOWE: Every car we have is on the way to the maritime provinces loaded with oil.

Mr. O'BRIEN: Assume that a thousand cars are moving into Quebec to-day from Sarnia to supply gasoline at the full unit rate of five gallons. Could not one hundred of those cars be sent to the maritime provinces if the unit in Quebec province was reduced from five to, say four gallons? Would that not be possible?

Mr. HOWE: If we are using all the equipment we have for the maritime provinces, you cannot get any more. We are trying to meet the maritime situation. It is not the automobile owners we are worrying about at all. We have much more serious worries. But we are operating every bit of transportation we have for sending oil to the maritime provinces, and operating from the nearest point where we have a supply of oil.

Mr. O'BRIEN: Perhaps the minister did not understand my question. If one hundred out of, say one thousand cars which are being used to service the province of Quebec—

Mr. HOWE: We have eight hundred tank cars in this area, and they are all on their way to the maritime provinces.

Mr. O'BRIEN: Every car?

Mr. HOWE: Every car.

Mr. O'BRIEN: With fuel oil?

Mr. HOWE: Yes.

Mr. O'BRIEN: How is Montreal being serviced to-day with gasoline from Sarnia?

Mr. HOWE: By tankers.

Mr. O'BRIEN: Boats.

Mr. HOWE: Yes.

Mr. O'BRIEN: Are any railway cars being used to take gasoline from Sarnia to Quebec?

Mr. HOWE: No.

Mr. HAZEN: I appreciate the fact that the navy has to be served first. It is hardly necessary for me to say that there is only an imaginary line dividing the province of Quebec from the province of Ontario. If the minister will look at the map he will notice that to go round the Gaspé peninsula one has to go along the Atlantic side and then round the other side, a distance of about five hundred miles. The distance from Rivière du Loup to Fredericton would be about two hundred miles, and some relief might be given in that way to New Brunswick if part of the long trip round the Gaspé coast were cut out by reducing the amount of

gasoline which is being supplied to that area. Possibly that might not work out, but the suggestion occurred to me.

Mr. HOWE: All I can say is that the ablest oil men we have in this country are trying to work out the situation in the maritime provinces. We are hopeful that we can work it out. The important thing is to keep our armed services going. If anything happens to them, you can imagine the consequences. We believe that the present situation is temporary and that we shall get relief through ocean tankers. We hope so. There may be a little straightening out to do on the border of Quebec. We are not trying to penalize people. If they live ten miles within the province of New Brunswick, they can drive to the province of Quebec and get a higher unit value of gasoline. That is no great loss to the war effort. That is a situation I am not worrying about particularly because I think all the people of Canada can see the writing on the wall and appreciate that they will get less gas before they get more gas. We are trying to divide up the gas fairly in the receiving areas, and will continue to do so.

Mr. McNEVIN: Is it not true that a number of eastern states have had to accept a lower amount of gasoline than some of the central states?

Mr. HOWE: Yes. There is sharp rationing of certain eastern states, but none at all of the bulk of the states. Seventeen states, I believe, have been rationed, and if I can believe the press, three gallons a week is the allowance in certain states. But the other states, that is all but the seventeen, have no rationing at all; they can buy all the gasoline they like.

Mr. HOMUTH: I have had a number of inquiries with respect to the fuel oil situation in the coming winter in Ontario. Could the minister give the house some time soon a report on the fuel oil situation, so that those who are using oil for heating purposes may have some warning as to what their position will be?

Mr. HOWE: I think I can give that without notice. There will be no heating by oil next winter in homes or in factories anywhere.

Mr. STIRLING: In the whole of Canada?

Mr. HOWE: In the whole of Canada, yes.

Mr. HOMUTH: The minister means that we can take that statement and advise our people that all heating with fuel oil will be stopped for the coming winter?

[Mr. Hazen.]

Mr. HOWE: That is right.

Mr. HOMUTH: Is it contemplated that there will be any such drastic move in regard to natural gas in western Ontario? I have in mind the fact that a great many people have installed gas furnaces which are not convertible; in each case an expenditure of hundreds of dollars will be required to take that type of furnace out and put another in. If they are to be under any such necessity they should receive fair warning.

Mr. HOWE: I think most householders got their warning last winter. The fact is that the natural gas supply in Ontario is dwindling very rapidly. As my hon. friend knows last winter was mild, yet there were certain days when war industries were without gas and householders had very low pressure. We are attempting to meet the industrial situation in the Hamilton area by extension of the artificial gas supply, but I believe that householders who have furnaces which were originally built for coal and have been converted to gas may expect to be asked to transfer back. As to whether furnaces which were installed to burn gas only can be kept going, I am inclined to think that everything possible will be done to avoid the expense of tearing out that type of furnace and putting in another. But I am sure that those who have coal equipment which they are now using for gas will be asked to change back to coal.

Mr. CRUICKSHANK: Does that apply to ordinary fuel oil too?

Mr. HOWE: Yes.

Mr. CRUICKSHANK: In *Hansard* of yesterday, page 2548, the minister stated that arrangements would be made so far as possible to provide work for garages and small shops in connection with what is known as the bits-and-pieces programme—provided, he added, the establishment is used exclusively for war work. Do I understand from that that a garage which has a machine shop in connection with it cannot go on repairing cars and still get small orders?

Mr. HOWE: My hon. friend must interpret that reasonably. What we are trying to do, strange as it may seem to a good many, is not to provide employment for all but to get all the war material we can. If a garage is two hundred miles from the nearest large factory it is very difficult to service that garage. A garage within five miles of a gun plant will be taken care of before one fifty miles away, because every

operation of that kind has to be closely supervised and timed. There is nothing I can say about country garages that would apply to every country garage; there is nothing I can say about city garages which would apply to every city garage, because there it depends on what equipment there is, and the class of mechanic that is employed. But we are attempting to spread bits-and-pieces in garages wherever we can do so to the benefit of the war effort.

Mr. CRUICKSHANK: I was not criticizing. I was asking for information.

Mr. HOWE: Yes. I hope I have made it clear.

Mr. CRUICKSHANK: As I understand the report in *Hansard*, it means that a garage, no matter how fine its equipment or how good its mechanics, could not have one part of its establishment repairing cars and another part, entirely segregated, doing war work.

Mr. HOWE: Well, I did not say that. I said we could not mix war work with repair work. It is very difficult to obtain costs where the two operations are running parallel. It might be possible if there was a segregation to work out the cost so that we would not have the danger of mixing repair work with war work as far as costs are concerned, and so that we could predict the output. Naturally, if we place bits-and-pieces with a garage for delivery on a certain day we must get the bits-and-pieces on that day. If they are two or three days late they may tie up the production of a whole plant. For that reason we cannot mix the two operations very well. But I would not be dogmatic on that. Each proposal must be studied on its merits.

Mr. MacINNIS: Costs could be placed on piece-work. Delivery, of course, is another matter.

Mr. HOWE: Delivery, of course, is just as important as costs.

Mr. HOMUTH: Is it not a fact that the bits-and-pieces programme is more a question of subcontracts?

Mr. HOWE: Oh, yes.

Mr. DOUGLAS (Weyburn): Could not the department bring the subcontractor into direct contact with the government?

Mr. HOWE: No. The main contractor must have control of his product. Take the manufacture of 25-pounders. This gun contains 1,200 pieces, of which about 560 are subcontracted, some of them to garages. I know one two-car garage which is making a particular bit for that gun. But the main contractor must be the one who controls his product. The government, unless it has an assembly plant of its own, cannot deal in bits-and-pieces. The man who assembles the product is responsible for seeing that all his bits-and-pieces are there, and that they fit, and he must be, in the nature of things, the primary contractor.

Mr. DOUGLAS (Weyburn): Some of the men in the west who have machine tools feel that about the only things they are being offered by the main contractors are articles they cannot possibly handle or are not very profitable to handle, and that these small men are not being given much of a show.

Mr. HOWE: There has been some difficulty in the west. We are trying to break it down. This is a matter of education in both directions; we have to educate the main contractor to break down his product, just as we have to educate the small shops as to what they must do in the way of cost accounting and production work. In the Sorel situation, the 25-pounder gun furnished the first great example of what could be done there. That set the pace for the eastern contractors, and we have been very successful in eastern Canada in getting contractors to break their production down. We are having more difficulty in the west, but are working away there, and expect to get better results as we are able to educate the main contractors further.

Progress reported.

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

Thursday, May 21, 1942

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PRICE CEILING SUBSIDIES—GRAPEFRUIT

Mr. BRUCE:

1. Is the government still subsidizing grapefruit imported in tins?
2. If so, to what extent?
3. Is grapefruit itself subsidized?

Mr. RALSTON:

1. Canned grapefruit was included in the "schedule of specified exclusions from sub-

sidy" issued with the statement of import policy of the wartime prices and trade board in extra No. 124 of the *Canada Gazette* dated December 29, 1941.

2. See above.

3. No.

FARMERS' CREDITORS—DEFINITION OF DEBTOR

Mr. DOUGLAS (Weyburn):

Will the government give consideration to bringing down legislation defining the term debtor, under the Farmers' Creditors Arrangement Act, notwithstanding the absence of privity of contract?

Mr. RALSTON: While the matter is one of government policy as to which no final present statement is possible, it is not the intention of the government to introduce a bill amending the Farmers' Creditors Arrangement Act during the present session.

NATIONAL FILM BOARD—LEGAL ACTION BY MARCH OF TIME INC.

Mr. HOMUTH:

1. At any time, since September 1, 1941, has legal action been started in the courts of the United States or Canada against the national film board by March of Time, Inc., or the producers of the series of films known as "March of Time"?

2. If so, on what date was such action commenced and upon what alleged grounds?

3. Was this action dropped by the producers of "March of Time" and, if so, on what date?

4. Was settlement made as between the producers of "March of Time" and the national film board, its agents, or any other incorporated company against whom action had been taken jointly with the national film board?

5. What did the producers of "March of Time" allege with respect to their ownership of film material?

6. Was settlement of the action arranged by the payment of money to the producers of "March of Time" by either the national film board or companies associated with the board in the distribution and exhibition of films in the United States?

7. If so, what was the amount paid to the producers of "March of Time" from the public treasury or from funds accumulated from the receipts from the distribution in the United States of films produced by the national film board?

8. What was the total amount expended by officials of the national film board for travelling and other purposes in connection with the settlement of this action?

Mr. THORSON:

1. No. "March of Time" entered an action in the District Court, Southern District of New York in December, 1941, against Loew's Incorporated, Warwick Pictures Inc., and Moredall Realty Corporation to restrain them from exhibiting in the United States a film entitled "War Clouds in the Pacific" produced and released in Canada by the national film board in November, 1941. The grounds alleged were that a certain quantity of film material furnished by the "March of Time" and used in the film had been supplied for exhibition in Canada only. This allegation was denied by the defendants. The action was discontinued after a conference between the interested parties, at which the government film commissioner, the assistant film commissioner and Mr. Stuart Legg, producer of the Canada Carries On Series, were present, together with representatives of the "March of Time," Loew's Incorporated and Warwick Pictures, Inc. It was agreed that a subtitle in the following terms should be added to the film: "This motion picture was produced by the national film board of Canada with the cooperation of the 'March of Time'." No money payments of any kind were involved in this settlement. The film secured nation-wide distribution in the United States.

2, 3, 4, 5, 6 and 7. See answer to question 1.

8. $179.23. (See answer to question 1.)

NATIONAL FILM BOARD—16-MILLIMETRE PROJECTION CIRCUIT

Mr. MacKINNON (Kootenay East):

1. Does the national film board either alone or in conjunction with the director of public information operate a 16-millimetre film projection circuit?

2. How many persons are employed in connection with this work?

3. What are their names?

4. What is the total salary paid to each such person?

5. What is the total amount of travelling expenses paid to each such person during the past year?

6. What is the previous experience of each such person?

7. What equipment, if any, has been purchased for use in this work?

8. What was the total cost of such equipment?

9. What was the budget of the amount required for this work?

10. What has been the actual expenditure to date upon this work?

11. For what purpose or purposes is this work carried on?

Mr. THORSON:

1. Yes. The national film board has been operating, in conjunction with the director of public information, since January 1, 1942, some forty-three 16-millimetre travelling theatres serving remote rural areas in every province in Canada. The Canadian council of education for citizenship collaborates in the project.

2. Thirty-seven. In addition, the services of ten projectionists have been supplied free of charge by cooperating organizations.

3, 4, 5 and 6.

Name—Classification	Total salary paid per month	Total travelling expenses during past fiscal year	Previous experience
D. W. Buchanan, National supervisor	$270 00	$116 02	Former national secretary, National Film Society of Canada, and supervisor of public affairs broadcasts, Canadian Broadcasting Corporation.
Stanley Rands, Regional agent.....	100 00	102 08	School teacher.
J. A. Bramham, Regional agent and projectionist.....	140 00	590 26	16 mm. projectionist.
R. K. Nevers, Regional agent, part time.....	50 00	266 94	Director of New Brunswick Visual Education Bureau.
J. D. Nadeau, Projectionist.....	130 00	358 65	16 mm. projectionist.
Hilda Gillis, Projectionist.....	130 00	252 92	Visual education, Prince Edward Island Libraries.
Gaston Morin, Projectionist.....	108 33	374 69	16 mm. projectionist.
Elmer Brownell, Projectionist.....	130 00	197 97	16 mm. projectionist.
Mrs. S. C. Perry, Projectionist.....	130 00	Employment began since March 31, 1942	16 mm. projectionist.
J. C. Peck, Projectionist.....	130 00	Employment began since March 31, 1942	16 mm. projectionist.
Robert Taylor, Projectionist.....	130 00	304 30	Rural extension service, Macdonald College, Ste. Anne de Bellevue.
Gerard Boutet, Projectionist.....	108 33	291 24	16 mm. projectionist.
Earl Rowan, Projectionist.....	130 00	439 72	16 mm. projectionist.
David Smith, Projectionist.....	130 00	211 15	Rural education officer, University of Toronto.
Lucien Dallaire, Projectionist.....	108 33	392 12	16 mm. projectionist.
L. A. Johnson, Projectionist.....	130 00	527 95	16 mm. projectionist.
R. F. Allen, Projectionist.....	130 00	340 95	16 mm. projectionist.
William M. Ritchie, Projectionist....	130 00	63 90	Rural education officer, United Farmers of Ontario.
J. D. McIntyre, Projectionist.....	130 00	335 75	16 mm. projectionist.
Harold Moore, Projectionist.....	130 00	379 35	16 mm. projectionist.
Paul Karpetz, Projectionist.....	130 00	393 48	16 mm. projectionist.
George LeBeau, Projectionist.....	130 00	319 00	16 mm. projectionist.
Luc Forest, Projectionist.....	130 00	379 34	16 mm. projectionist.
W. Hahnel, Projectionist.....	130 00	514 90	16 mm. projectionist.
Jean L. Thibault, Projectionist.....	108 33	Employment began since March 31, 1942	16 mm. projectionist.
Victor Buchanan, Projectionist.....	130 00	431 24	Educational services, Saskatchewan.
R. H. Cunningham, Projectionist....	130 00	378 76	Farmer, motor mechanic.
David Sharples, Projectionist.....	130 00	418 80	16 mm. projectionist.
W. A. Thomson, Projectionist.....	130 00	480 31	16 mm. projectionist.
A. F. Mitchner, Projectionist.....	130 00	385 15	School teacher.
C. W. Gray, Projectionist.....	130 00	412 82	16 mm. projectionist.
A. E. Gawreluck, Projectionist.....	130 00	492 81	16 mm. projectionist.

Name—Classification	Total salary paid per month	Total travelling expenses during past fiscal year	Previous experience
Paul Gutoski, Projectionist.....	$130 00	$447 75	16 mm. projectionist.
Damase Bouvier, Projectionist.....	130 00	584 33	16 mm. projectionist.
K. E. Purdy, Projectionist.....	130 00	527 81	16 mm. projectionist.
J. A. Black, Projectionist.....	130 00	651 03	16 mm. projectionist.
Thomas Prime, Projectionist.....	130 00	459 58	Music teacher.

Also certain fees for assistance in supervising the operation of the circuits are paid to certain cooperating organizations as follows:

Department of Extension, University of Alberta, $30 per month.

National Film Society of Canada, Ottawa, $30 per month.

Joseph Morin, Director, Service de Cinephotographie, Quebec, $200.49 until March 31, 1942.

7. Thirty-five 16-mm. projectors and complete accessories. Also fourteen portable power units for operation of projectors when electricity is not otherwise available.

8. $22,446.51.

9. $93,000.

10. $84,006.65.

11. To bring the full story of Canada at war to rural areas which do not normally see motion pictures, and which are less effectively served than other areas of Canada by the various information media. Motion pictures explaining the strategy of war and depicting the training of Canada's armed forces, her industrial production, and every other aspect of Canada's war effort are shown, as well as films describing the geographical and social structure of the dominion. Special care has been taken to reach communities of non-Anglo-Saxon extraction, including Ukrainians, Germans and Mennonites.

ATLANTIC SHIPPING—SAILING TIME FROM ENGLAND TO CANADIAN PORTS

Mr. HATFIELD:

What is the average sailing time of a sixteen-knot vessel from the port of London to the ports of Saint John, Halifax and Montreal, respectively?

Mr. HOWE: Approximately 182, 172 and 203 hours respectively.

GRAIN ELEVATORS

Mr. HATFIELD:

1. How many grain elevators in Montreal, Saint John, West Saint John and Halifax are owned or controlled by the government?

2. Are they operated under lease?

3. If so, what is the name of the person or company holding each lease?

[Mr. Thorson.]

4. If any elevator is leased to a company, who are the directors of said company?

5. What rental is paid by each lessee?

Mr. HOWE:

1. Seven.

2. Only one of the elevators is operated under lease namely, the National Harbours Board elevator at West Saint John.

3. Canadian Pacific Railway Company.

4. Sir Edward Beatty, G.B.E.; L. J. Belnap; Col. Henry Cockshutt; D. C. Coleman; Aimé Geoffrion, K.C.; G. Blair Gordon; Hon. Eric W. Hamber; John W. Hobbs; Right Hon. Reginald McKenna, P.C.; R. S. McLaughlin; Ross H. McMaster; Maj.-Gen. Frank S. Meighen, C.M.G.; Sir Edward Peacock, G.C.V.O.; Robert C. Stanley; W. N. Tilley, K.C.; Morris W. Wilson and W. M. Neal.

5. $4,000 plus one-tenth (1/10) cent per bushel on all grain received into the elevator and one-tenth (1/10) cent per bushel on all grain shipped through National Harbours Board grain galleries and twenty-five (25) per cent of all storage revenue accruing on grain stored in both the National Harbours Board elevator and the Caandian Pacific Railway elevator and in railway cars.

Rental received in 1941—$73,420.62.

NATIONAL FILM BOARD—"HIGH OVER THE BORDER"

Mr. HOMUTH:

1. Was the film entitled "High Over the Border", recently released by the national film board, produced in Canada?

2. If so, was it produced either wholly or largely by the regular staff of the national film board and was the work, including the sound recording, carried on in the plant of the national film board in Ottawa, or, was it produced by private enterprise under contract or agreement with the national film board, or was it purchased as a completed film from a private company or individual?

3. If produced by private enterprise, did the national film board advance funds to the producer or producers to meet expenses in connection with the film, and, if so, what amount?

4. Was this film produced in Canada?

5. If not produced in Canada, where was the film assembled and edited and by whom?

6. Where was the sound recorded, and by whom?

7. What was the total amount expended from public funds on the production or purchase of this film, including any salaries or fees paid to persons engaged upon the production of the film, travelling expenses, purchase of film material for use in the film, sound recording and all positive prints of the film made to date?

8. From what appropriation or vote of public funds for the current fiscal year was the cost of this film met?

9. Was the film made on behalf of any part of Canada's war effort, and, if so, what relation has the subject matter of this film to any such war effort?

Mr. THORSON:

1. In part.

2. (a) No. (b) No. (c) This film was produced by the national film board in collaboration with the New York Zoological Society and the government of the United States.

3. See answer to question 2 (c). No advance was made for expenses.

4. In part.

5. Assembled and edited in New York and Ottawa by Irving Jacoby.

6. Sound recorded in New York—English version by Fox Movietone News, French version by Reeves Sound Studio.

7. $5,252.38.

8. The national film board share of the cost of this film was met from the war appropriation for the fiscal year 1941-42 by the public information division, Department of National War Services.

9. The film is a parable of unity in the Americas, with emphasis upon the importance of free movement across international borders, illustrated by the migrations of birds common to north and south America. It is a comment on the deep natural forces making for mutual understanding between peoples, and contributes to an appreciation of the common interest of the countries of the western hemisphere in wartime defence.

NATIONAL FILM BOARD—"CHURCHILL'S ISLAND"

Mr. HOMUTH:

1. What was the total footage of the film called "Churchill's Island", produced by the national film board?

2. What was the total number of feet of film used in this reel which was purchased or acquired in any other manner from any British film company or organization?

3. What was the total number of feet of film used in this reel which was seized from Germany or other enemy sources?

4. What was the total number of feet of film used in this reel which was actually taken in Canada?

5. What was the total cost of this film?

6. By whom was this film distributed (a) in Canada; (b) in the United States?

7. Upon what arrangement was this film distributed by such organization or organizations?

Mr. THORSON:

1. 1,924 feet.

2. 957 feet.

3. 762 feet.

4. 205 feet.

5. $4,990.15.

6. (a) Columbia Pictures of Canada; (b) United Artists Corporation.

7. Under terms of contracts agreed upon.

NATIONAL FILM BOARD—SECRETARY AND CONTROLLER

Mr. HATFIELD:

1. Who is the secretary and controller of the national film board?

2. What is his salary, and/or allowance?

3. What is the total amount paid to him since March 31, 1941, as travelling or living expenses?

4. When was he appointed and/or assigned to this position?

5. By whom was he appointed and/or assigned to this position?

6. By whom was he recommended for this position?

7. Has he any blood relatives employed by the national film board?

8. If so, what are their names and what positions do they hold?

9. What salaries and/or allowances are paid to them?

10. When were they appointed to their present positions?

11. By whom were they appointed to their present positions?

12. By whom were they recommended for their present positions?

Mr. THORSON:

1. A. G. McLean.

2. Salary—$4,500 per annum. No allowances.

3. Travelling expenses—$120.02.

4. October 21, 1941.

5. Services of A. G. McLean, executive assistant in the Department of National War Services, loaned by Department of National War Services to the national film board, to act as controller and secretary.

6. Appointment of A. G. McLean as controller and secretary of the national film board recommended by motion of the national film board at its regular meeting, August 12, 1941.

7. Yes.

8. (a) Ross McLean—assistant government film commissioner.

(b) C. Grant McLean—temporary assistant camera man, employed by the government film commissioner under Section 12 (1) of the National Film Act.

9. (a) Ross McLean—salary, $4,500 per annum. No allowances. (Out of pocket expenses when travelling on business of the national film board.)

(b) C. Grant McLean—Salary, $108 per month. No allowances. (Out of pocket travelling expenses necessary to production of specific films for which he is engaged.)

10. (a) Ross McLean—September 1, 1941.

(b) C. Grant McLean—First appointment, December 19, 1941 to January 31, 1942. Second appointment, February 1, 1942 to March 9, 1942. Third appointment March 12, 1942.

11. (a) Ross McLean—By civil service commission.

(b) C. Grant McLean—By government film commissioner under Section 12 (1) of the National Film Act for production of particular films, on a temporary assignment basis.

12. (a) Ross McLean—Recommended by Hon. J. T. Thorson, as chairman of the national film board, pursuant to a motion of the national film board passed at its regular meeting, August 12, 1941.

(b) C. Grant McLean—Recommended by the government film commissioner.

MILITARY SERVICE—FARMERS AND FARM WORKERS

Mr. LACOMBE:

1. How many young farmers, sons of farmers and farm labourers have been mobilized to date under the terms of the mobilization act of 1940?

2. How many underwent their training of one month?

3. How many were in training for four months?

4. How many, having failed to obtain leave, are still in the military training camps?

Mr. THORSON: The statistics respecting persons called up under the provisions of the national war services regulations for military training are not kept on the basis of occupations. The answering of this question would entail the reviewing of files of over 120,000 persons. This would take a great many weeks and the work of a considerable staff which is already heavily pressed. I therefore ask that the question be dropped.

Question dropped.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOLD—HOLDINGS IN CANADA AND EXPORTS

Mr. HANSELL:

1. How much gold (in ounces and value) is now held in Canada by, (a) the Canadian government, (b) the Bank of Canada, (c) foreign exchange control board, (d) the chartered banks?

2. How much of this gold is held on behalf of foreign governments?

[Mr. Thorson.]

3. How much gold was exported from Canada and to what countries during each of the years 1930 to 1941 inclusive?

Mr. McLARTY: Return tabled.

BRITISH COLUMBIA AND YUKON AIRPORTS

Mr. BLACK (Yukon):

1. What amounts has the government expended to date on each of the following airports, Dawson Creek, Fort St. John, Watson Lake, Fort Nelson, Whitehorse, Dawson?

2. What amount has been spent to date on each of the airports on Vancouver island, and what are the names of such airports?

Mr. POWER: I would ask the hon. gentleman if he would be satisfield with a statement of the aggregate amount spent on all these aerodromes, in answer to question No. 1, and on the aerodrome on Vancouver island in answer to question No. 2. My officers advise me that it might be giving information to the enemy as to the capacity of each aerodrome if the figures of the expenditures were given for each individual aerodrome. If my hon. friend would be satisfied with the aggregate amount, so many million dollars for the aerodromes mentioned in question No. 1, and so many millions for those in question No. 2, I should be very glad to furnish that information.

Mr. BLACK (Yukon): I cannot agree with the minister that the enemy would get the slightest information through this question being answered. If the minister thinks our enemies the Japanese do not know as much about the details of what has been done and what is being done in Canada as we do, and as the minister does, then he has more faith in human nature than I have.

Mr. POWER: Then I am afraid I will have to take the stand that it is not in the public interest to give the information as it is requested here, but I will give it in the manner I have indicated.

Mr. BLACK (Yukon): Many of these are civilian aerodromes; they are used by Trans-Canada Air Lines and other civilian organizations operating civilian planes. The government has spent large sums of money on them, and surely the public is entitled to know what those sums amount to.

Mr. SPEAKER: Stand, in the meantime.

Mr. POWER: I do not see why it should stand, because I do not believe I could change the position arrived at by my officers. I am forced to the position where I say it is not in the public interest to answer the question in

the manner in which it has been put. I will give such information as I can to my hon. friend.

Mr. SPEAKER: Dropped.

Mr. POWER: No; it should stand, but with the understanding that the answer will be given in the manner in which I have indicated.

Mr. SPEAKER: Stands as amended.

Mr. POWER: Perhaps it might best pass as an order for return.

PRINCE GEORGE AND GRANDE PRAIRIE AIRPORTS

Mr. BLACK (Yukon):

What amounts has the government expended to date on each of the airports at Prince George and at Grande Prairie?

Mr. POWER: I should like to make the same answer as I made to the previous question of the hon. member. Perhaps this question should be passed as an order for return.

NATIONAL FILM BOARD—STAFF

Mr. FRASER (Peterborough West):

1. How many of the following persons, appointed to the staff of the national film board under authority of the National Film Act, to wit: Ross McLean, Allan G. McLean, Annette Allard, Alan H. Adamson, Irene Baird, Gudrun J. Bjerring, Maurice Blackburn, Lois M. Bright, Kathleen F. Brooks, Donald W. Buchanan, James A. Beveridge, F. Elizabeth Bertram, Edward Buckman, Henry C. Campbell, Marguerite C. Chestnutt, May Kathleen Corp, Doreen Curry, A. P. Cote, Thomas C. Daly, R. J. Edmonds, Donald G. D. Fraser, Herbert G. Glover, Dorothy R. Hazel, Alice Heggtveit, Robert J. Humble, Margaret Humble, Charles C. Hyndman, Richard J. Jarvis, Mrs. S. Josie, Anne MacDonnell, Graham B. McInnes, Robinson F. MacLean, W. A. Macdonald, C. Grant McLean, Jane Marsh, L. G. Marcotte, Sydney C. Newman, R. K. Nevers, John A. O'Meara, Vincent Paquette, Margaret M. Palmer, Nicholas C. Read, Roger Racine, Lois Rae, Leon M. Shaw, Douglas Sinclair, Janet C. Scellen, Edwin W. Scythes, Hazen E. Sise, D'Arcy Sheard, Katharine P. Symons, Fay Thomson, Gordon Weisenborn, Pamela Wilcox, have had any technical or professional experience in motion picture production and laboratory work, prior to their appointment, indicating in each case the experience which such person has had?

2. How many of the above persons have been continuously employed for more than three months, indicating which persons?

3. How many of the above noted persons have been in receipt of a regular weekly or monthly salary, honorarium or fee from the national film board since the date of their appointment?

4. Before each of the above noted persons were appointed to the position he or she now fills, what steps, if any, were taken by the national film board or its executive officers to advertise the positions or to provide so that other Canadian citizens, including the heads of families and war veterans, with equal or better qualifications and experience, especially in film production, distribution and laboratory processing work, might have an equal opportunity to make application and receive equal consideration for appointment to the positions now filled by the above noted persons?

5. How, upon what basis and by whom was each of the above persons selected for and upon whose recommendation was each of them appointed to the position he or she now fills?

6. Prior to the appointment of each of the above persons were any recommendations submitted to the national film board for approval or were the appointments, in each case, made by officers of the national film board on their own initiative and responsibility and the board then asked to confirm them?

7. Has treasury board at any time ruled that the National Film Act should be interpreted as applying to persons employed casually for the duration of individual projects and not to any person continuously employed?

8. If so, when, and what was the full import of such ruling?

9. Has the treasury board at any time ruled that the authority of the National Film Act for the employment of staff without prior approval of the establishment by treasury board could not be accepted?

10. If so, when and what was the full import of such ruling?

NATIONAL FILM BOARD—WARWICK FILMS OR WARWICK PICTURES OF NEW YORK

Mr. HATFIELD:

1. Has the national film board any (a) production contracts; (b) distribution contracts with Warwick Films or Warwick Pictures of New York?

2. If so, how many in each category?

3. What is the total number of feet of film which have been acquired by Warwick Films or Warwick Pictures of New York from the national film board since March 31, 1941?

4. Upon what arrangement or arrangements was such film acquired by Warwick Films or Warwick Pictures of New York from the national film board?

5. Has the national film board sold to Warwick Films or Warwick Pictures of New York any seized German films that have come into the board's possession or any copies or reproductions thereof other than that contained in completed films produced and released by the national film board?

6. If so, how many feet of (a) negative, (b) duplicate negative, (c) duplicate positive and/or (d) positive has been sold to Warwick Films or Warwick Pictures of New York, and on what terms and conditions?

7. Has the national film board, at any time since the outbreak of war, made available to Warwick Films or Warwick Pictures of New York any seized German films that have come into its possession or any copies thereof in order that the latter might duplicate or reproduce all or any portion of such films or copies thereof?

8. If so, who authorized such loan and upon what terms and conditions were the films or copies thereof loaned to Warwick Films or Warwick Pictures of New York.

Mr. THORSON: Subject to the reservation, in the first place, that it might not be in the public interest to indicate the extent to which German films have been seized, and likewise reserving the giving of information which may be helpful to competitors, this might pass as an order for return.

NATIONAL FILM BOARD—PRODUCTION AND DISTRIBUTION OF FILMS

Mr. JACKMAN:

1. What are the names of all films produced by the national film board since January 1, 1941?

2. What was the total number of feet of film used in each such film which was purchased or acquired in any other manner from any British film company or organization?

3. What was the total number of feet of film which was seized from German or other enemy sources?

4. What was the total number of feet of film used in each such film which was actually taken in Canada?

5. What was the total cost of each such film?

6. By whom was each such film distributed (a) in Canada, (b) in the United States?

7. Upon what arrangement was each such film distributed by each such organization or organizations?

Mr. THORSON: Subject to the same reservation as to the giving of information which may be helpful to competitors, and likewise as to information with respect to the supply of German films which have been seized, this might be passed as an order for return.

NATIONAL FILM BOARD—FILM PRODUCTION CONTRACTS

Mr. JACKMAN:

1. How many contracts in connection with the production of films have been awarded by the national film board since March 31, 1941?

2. Of these, how many were for amounts in excess of $5,000?

3. How many were approved by the Minister of Trade and Commerce or the Minister of National War Services in his capacity of chairman of the national film board prior to being awarded?

4. How many were approved by the treasury board and/or the governor in council prior to being awarded?

5. How many were awarded after tenders had been called or on a competitive basis where two or more companies or individuals had been given an equal opportunity to submit tenders or proposals?

6. Of those for total amounts in excess of $5,000, how many were awarded to, (a) companies owned and operated by Canadians in Canada; (b) foreign controlled companies operating in Canada; (c) British companies; (d) companies owned and operated in the United States of America?

[Mr. Hatfield.]

Mr. THORSON: It will not be possible to answer paragraph 6 of this question. Subject to that however it may be passed as an order for return.

NATIONAL FILM BOARD—FILM DISTRIBUTION CONTRACTS

Mr. JACKMAN:

1. How many contracts in connection with the distribution of films have been awarded or entered into by the national film board since March 31, 1941?

2. How many, if any, of such contracts were submitted to and approved by the national film board prior to being signed?

3. Upon whose recommendation were these contracts approved and awarded by the national film board?

4. In each case, who signed the contracts on behalf of the dominion government and/or the national film board?

5. How many of such contracts were awarded by public tender or on a competitive basis where more than one company or individual submitted proposals?

6. How many of such contracts were entered into as a result of direct negotiation with one company, without others being given an equal opportunity to submit proposals?

Mr. THORSON: Subject to the reservation that information which may be helpful to competitors ought not to be given, this question may be passed as an order for return.

Mr. SPEAKER: Order for return, subject to the reservation stated.

WARTIME HOUSING

Mr. CHURCH:

1. What is the total guarantee to the banks, by provinces, on account of capital building expenditure for subsidized houses built, (a) by federal subsidy; (b) by local authorities and private enterprise; (c) the wartime housing commission for war munition workers?

2. What number of the wartime housing houses have been utilized and in what cities, (a) for civilians out of homes; (b) for families of soldiers?

3. What municipalities have asked the government for aid to house soldiers' families?

DEFENCE OF CANADA REGULATIONS

PRESS REPORT OF SPEECH DELIVERED IN MONTREAL BY MEMBER OF QUEBEC LEGISLATURE

On the orders of the day:

Hon. GROTE STIRLING (Yale): Mr. Speaker, I should like to ask a question of the Minister of Justice, of which I regret I have not been able to give him notice. I should like to ask him if his attention has

been drawn to the press reports of a speech delivered on Tuesday evening, the 19th instant, at St. James Market, Montreal, by Rene Chaloult, member of the Quebec legislative assembly for Lotbinière? If so, has he considered the question whether this speech contravenes the defence of Canada regulations, and whether it is not a case for action similar to that taken in the instance of one Camillien Houde?

Hon. L. S. St. LAURENT (Minister of Justice): My attention was called to the fact that the press were reporting a speech which might be of a doubtful nature. Before coming to the house I secured a copy of a newspaper which purports to give a full text of that speech. I have not yet had time to consider it. When I have had an opportunity to see it, if it seems to require further attention I shall refer it to the officers of my department for a report as to what action if any should be taken.

PATENTS

SEIZURE IN THE UNITED STATES OF PATENTS CONTROLLED BY ENEMY NATIONALS

On the orders of the day:

Mr. J. K. BLAIR (Wellington North): Mr. Speaker, I should like to draw the attention of the house to the following article:

Roosevelt Orders Seizure of Patents.
Because of the many charges that American-German patents pooling arrangements have restricted production essential to the nation's war programme, President Roosevelt has ordered the seizure of all patents directly or indirectly controlled by nationals of enemy countries.

May I also refer—

Mr. SPEAKER: The form of the question indicates that no answer is possible at this time. I suggest that it stand as notice of question.

HON. WALTER NASH

ADDRESS OF NEW ZEALAND MINISTER TO WASHINGTON AT MEETING OF EMPIRE PARLIAMENTARY ASSOCIATION

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, before the orders of the day are called I should like to ask a question of the Prime Minister. Some time ago we had the privilege in the house of listening to the then Prime Minister of Australia who on that occasion gave a most inspiring address. We have in our midst at the present time a most prominent official from New Zealand, our other sister dominion. I am wondering if the Prime Minister has made arrangements whereby Mr. Nash might come here and make his speech, as Mr. Menzies did.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I have already expressed to the Hon. Mr. Nash the hope that he would give over the radio to the people of our country the speech he delivered to the members of the parliamentary association who met him at luncheon to-day. If that is done a very much larger number would have the privilege of hearing Mr. Nash than would be possible were he to speak only in the House of Commons.

On the occasion of Mr. Menzies' visit Mr. Menzies was returning to Australia as the Prime Minister of his country. He was invited to addresss this House of Commons in his capacity of Prime Minister of Australia. Mr. Nash as hon. members know has for many years been foremost among the members of the government of New Zealand, and I know what a great privilege it would be to all hon. members to hear him. I should think however that we would have to consider carefully the precedent which would be set of having others than those holding the office of Prime Minister addressing the House of Commons during its proceedings. I feel sure Mr. Nash would be the first to appreciate the reason that would govern if he were not invited on his present visit to Ottawa, to address the house.

Mr. COLDWELL: May I ask the Prime Minister if he has taken the opportunity to see that an invitation is extended to Mr. Nash to speak to the people of Canada through the facilities of the Canadian Broadcasting Corporation.

Mr. MACKENZIE KING: I expressed to Mr. Nash the hope that he would speak over the Canadian Broadcasting Corporation facilities, and I shall certainly make it a point to see that that organization is asked to make an effort to see that he does give an address.

Mr. BLACKMORE: Did not the occasion of Mr. Menzies' addressing the House of Commons create a precedent? It might be easy so to arrange matters that no new precedent would be set by asking Mr. Nash to address the house. If he did so his address would appear in *Hansard*.

Mr. MACKENZIE KING: I believe a precedent had been established at the time of the previous war when a prime minister of another country addressed the House of Commons from beside the speaker's chair. In these matters the government must necessarily consider very carefully the precedent it establishes. Otherwise it seems to me we might

on some occasion be obliged, by failure to extend an invitation, to adopt a course which might seem to be invidious.

GLASS CONTAINERS

AVAILABILITY TO BEER AND SPIRITS MANUFACTURERS AND MILK DISTRIBUTORS

On the orders of the day:

Mr. J. H. LECLERC (Shefford): Mr. Speaker, I hold in my hand a copy of the *Temperance Advocate,* which states that the liquor bill for Ontario this year will be $88,000,000 as compared with $73,000,000 last year. It is not my intention to scold the people of Ontario for this rather high consumption of liquor, but I should like to ask the government how it is that the distributors of hard liquor and the brewers of beer seem able to get all the bottles they need when the milk distributors have to beg the glass controller to give them the bottles they need.

Mr. SPEAKER: I think that question is in the same category as the previous one.

VICHY REPRESENTATION

FRENCH CONSULATES AND CONSULAR AGENTS IN CANADA—OTTAWA LEGATION

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): In view of the statement made yesterday by the Prime Minister that he had advised the French minister to take the necessary steps to suspend the operation of French consulates and consular agencies in Canada, I should like to ask the Prime Minister if he does not think that the reasons which he gave apply with equal force to the continuation of the French legation. Secondly, does the French minister continue to enjoy the usual diplomatic immunity in so far as telegraph, telephone, correspondence or other communications with Vichy are concerned?

Right Hon. W. L. MACKENZIE KING (Prime Minister): In reply to my hon. friend I would say that I do not think that the reasons which I gave with respect to the closing of French consulates and consular agencies would apply in equal measure to the French legation. The day before I gave reasons why it was thought advisable to maintain the diplomatic relations that exist at the present time between France and Canada. So far as the privileges and immunities which the French minister enjoys are concerned, they are the same as those enjoyed by all who hold the position of minister to Canada from another country.

[Mr. Mackenzie King.]

The acting leader of the opposition, the hon. member for Yale (Mr. Stirling), asked me yesterday whether as a result of the forthcoming suspension of French consulates and consular agencies there would be any consuls and employees of the consulates who were French nationals and who would be obliged to return to France. He asked also if Canada had consuls in unoccupied France whose offices would be closed and who would be obliged to return to Canada. I was unable to give my hon. friend the exact information at the time, but I can now give him the following reply to his question.

The various consuls and vice consuls, and some of their employees, are French nationals who came to Canada solely in their official capacity. When a consulate is closed, the official status in Canada of the consular officers and employees is automatically ended and such officers and employees would naturally leave Canada. Consular officials who lived in Canada before their appointment are not in the same category as full-time career officials. Some are British subjects and some are French nationals, but their status as residents of Canada is not affected by the closing of their offices. There are no Canadian government consuls or officials in unoccupied France and therefore no question of any exchange arises.

Hon. GROTE STIRLING (Yale): I should like to ask the Prime Minister a question with regard to the phrase which he used in his reply. He said:

> The consul himself was removed from the Quebec consulate a few days ago, but the office itself is not as yet closed.

What are the implications of that word "removed"? Removed by whom?

Mr. MACKENZIE KING: It was suggested to the French minister that it might be advisable if the gentleman occupying that position were removed somewhere else, and at the instance of the minister himself the change was made.

BUSINESS OF THE HOUSE

ORDER OF PROCEDURE AS TO SECOND READING OF MOBILIZATION ACT AMENDMENT BILL

On the orders of the day.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I should like to ask the Prime Minister if he could indicate to the house whether it is the intention of the government to proceed with the second reading of the bill to amend the National Resources Mobilization

Act immediately the war appropriation measure has been concluded by the committee of the whole?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend will have to allow the government to decide the order in which the public business will be taken up. I cannot give him an answer at the present time. In connection with the bill to which he has referred, as well as with respect to other legislation, I assure him that the government will endeavour to take the course which it believes will be most in the interests of all concerned.

VICTORIA DAY

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I have a suggestion to make to the Prime Minister (Mr. Mackenzie King) and the other leaders in the house. To-morrow will be empire day. Appropriate services are to be held in nearly all the schools and elsewhere in the provinces. I suggest respectfully that this house should pause to-morrow to pay some tribute to the mother country for what she has done in the war, having borne the brunt for over two years, and for the way in which she has stood for the protection of the weak the world over. As in the parable, I do not believe that in history she will be considered like the priest and the Levite, but will be declared to be the good samaritan of the world.

Right Hon. W. L. MACKENZIE KING (Prime Minister): As I understand it my hon. friend is referring to Victoria day which is May 24. My hon. friend seems to be just a little ahead on his time. I did not catch the whole of his question, but I shall be glad to consider his suggestion when I have had the opportunity of reading it.

Mr. CHURCH: Will the Prime Minister be good enough to clarify his reply? To-morrow is empire day and it is being celebrated all over the empire. I think we should take this opportunity to express our appreciation of the mother country. The new world of America owes her a debt of appreciation and gratitude.

Mr. MACKENZIE KING: I must confess to my hon. friend that I did not realize that May 22 was Victoria day; I have always understood that it was May 24.

Mr. CHURCH: We will not be sitting on the 24th because it is Sunday.

Mr. MACKENZIE KING: I believe the celebration of the holiday is to take place on Monday, which puts my hon. friend still further ahead.

Mr. CHURCH: All I wanted was that we should not forget it this year anyway.

PRISONERS OF WAR

EXPERIENCED OFFICER PERSONNEL IN PRISON CAMP ADMINISTRATION

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I should like to direct a question to the Minister of National Defence arising out of his answer on Monday to a question which I had placed on the order paper. Is there not a filing system in his department which would classify the 40,000 offers of services which he has received and which would make it easily possible to find the list of British officers now resident in Canada with experience in large prison camps during the last war?

Hon. J. L. RALSTON (Minister of National Defence): I can say to my hon. friend that I have no personal knowledge of the filing system. The answer which I made was the answer given to me by a responsible officer of the department in whom I have confidence. This answer indicated that the classification to which my hon. friend refers is not made. There need not be any mystery about this thing. If my hon. friend will just give me the name of the gentleman to whom he refers I shall be very glad to have it looked up to see whether he made an offer of his services. There should be no need to go through 40,000 applications in order to find some British officer who had experience in internment camps. If my hon. friend does not care to give this name publicly, he can give it to me privately and I shall be glad to have it looked up.

Mr. BRUCE: I have received permission only to-day to give the minister the name, and I shall give it to him in private.

DEFENCE OF CANADA REGULATIONS

INQUIRY AS TO PROBABLE DATE OF FUNCTIONING OF COMMITTEE

On the orders of the day.

Mr. A. H. BENCE (Saskatoon City): As the Minister of Fisheries is the only member of the government who is on the defence of Canada regulations committee, I would ask him if he can inform us when that committee will be convened.

Hon. J. E. MICHAUD (Minister of Fisheries): I understand that orders have been given to ask hon. members who have been appointed to sit on that committee to convene to-morrow if they are available for organization purposes.

WAR APPROPRIATION BILL

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

The house resumed from Wednesday, May 20, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

MUNITIONS AND SUPPLY

Mr. O'BRIEN: I understand that the Minister of Munitions and Supply (Mr. Howe) expects to be finished in a short time and I wish to assure the committee that it is not my desire under the circumstances to take up a great deal of the time of the committee or of the minister. But in fairness to the constituency I represent and to the province of New Brunswick I feel I should make reference to certain subjects which are of the utmost importance to New Brunswick and to the dominion, in so far as New Brunswick is a unit in the confederation. First of all let me say that I realize fully my responsibility in taking up any of the time of the committee, but I trust I have done so to a minimum since I have had a seat in this chamber.

As a background for my remarks I should like to place on the record part of a resolution passed by the Maritime board of trade at Moncton, New Brunswick, on November 20, 1941. It says in part:

> Be it resolved that relative to population and resources, the maritime provinces have made an immense contribution to the war effort in men and money, and whereas the larger portion of expenditure on new industrial plants is being made in central Canada, thereby threatening to make an acute state of economic dislocation permanent and irreparable, and whereas through lack of this development we are failing to harness a large part of the potential industrial population of these maritime provinces to the war effort, the maritime board of trade earnestly recommends that the government of Canada take immediate steps to alleviate and rectify this unbalanced condition through a process of decentralization of new war industry so that all social and population factors shall receive an equitable opportunity to participate in the industrial life of Canada.

This resolution I regard as background to my remarks, because it comes from the most responsible commercial body in the maritime provinces, representing New Brunswick, Nova Scotia and Prince Edward Island.

I can understand that in the war effort we must submerge our commercial hopes and desires with due regard to the permanent good of the nation, so that in the most speedy way Hitlerism and all it stands for may be defeated.

[Mr. Michaud.]

But if Canada is to remain a united country of nine provinces, greater consideration must be given to the maritime provinces. We have heard a good deal in days gone by of so-called maritime rights. Unfortunately that movement, I think, was badly handled so that maritime rights developed more or less along the lines, shall I say, of something jocular. I am not so sure that we have any "rights" in the maritimes; in fact, I do not know that any person or any assembly of persons has any particular "rights". I do know positively, however, that we have a great many wrongs, and perhaps that is one and the same thing.

What I mean by wrongs are those things perhaps which one must charge to the march of events since the first conferences on confederation were held in the Provincial building in Charlottetown prior to 1867. Again, some of our troubles are due to things that nature in her providence has failed to place in our province. That is not an unusual thing. Few provinces, indeed few countries in the world, have possession of all the raw materials required to make them a complete economic entity. One important thing we lack in New Brunswick—which province I admit is small geographically, but, after all, the finer things in life should not be overlooked entirely through consideration of might and enormous size, as seems to be the case in this mad age of speed—I refer particularly to water power. Evidently Canada's war effort is primarily based upon large available power resources in close proximity to war industry. While the provinces of Quebec and Ontario have been bountifully endowed by nature with water power, which man has developed, nevertheless, in Ontario particularly, coal is almost completely lacking, and all the coal requirements of that province must come from the maritimes, principally from Nova Scotia. That of course assists the province of Nova Scotia in an economic sense, but it seems to me that in this time, since money has ceased to be the important factor we considered it to be in the so-called days of peace, if not of happiness, a plan could be worked out by which industries requiring coal to develop steam for power could be located in the maritime provinces, and here I speak for Nova Scotia as I do for my native province.

At Grand Lake in the province of New Brunswick there is a steam-developed electrical plant supplying the province through a hook-up. It seems to me that that should be further developed at this time. I realize that the answer will be that the electrical machinery required to put in such a development is not available, although one hon. member a day or so ago mentioned that some

used electrical machinery of this sort was available in the United States. Whether that is so I am not prepared to say, but I do think that the Department of Munitions and Supply, in seeking to get supplies, might well be actuated by another motive also, that of trying to build up Canada. This machinery might be found by that department, with a view to a further development in New Brunswick.

Without wishing to be carpingly critical, let me say that the other day I received a reply to a question I put on the order paper asking what was the amount of money provided by the dominion government by way of capital assistance to private industry and to wholly owned government corporations. I asked:

1. What is the total amount of capital assistance given by the Department of Munitions and Supply to (a) private industry, (b) wholly owned government corporations since war was declared?

The answer to that was:

(a) $498,766,451
(b) $71,464,857
as at December 31, 1941, for United Kingdom account and January 31, 1942, for Canadian account.

Figuring that out according to the arithmetic table, which so far at least has not been changed by order in council or government regulation, I find that we have received what I might call the ridiculous percentage of ·00019 of that total for (a) and (b) of $570,231,308. At least New Brunswick has received plenty of zeros. But our people down there cannot consume or live on zeros. Perhaps after many years Euclid has been proved to be correct when he said that a point (or zero) is that which has position but no magnitude. I do think, Mr. Chairman, that these figures illustrate that there is not a consistently conceived national policy prevailing in Canada at the present time. We in this chamber do represent our own constituencies; when we become members of parliament, as I have said on a previous occasion, we lose our personal identity and become a symbol, the member for a particular riding. But in the larger sense the 244 members, not counting Mr. Speaker, endeavour to govern this country as a national entity, and I cannot understand how we can hope to have a united Canada if each province is to be governed by a sort of patchwork system, putting a patch on when pressure develops here, hoping the patch will hold the pressure back until pressure in another location will call for a patch elsewhere. True, the Department of Munitions and Supply cannot be used at this time as a means of promoting social welfare for the present or into the future if it is going to retard Canada's war effort. But I cannot understand why 500,000 people in the province of New Brunswick and the populations of Nova Scotia and Prince Edward Island cannot participate in a larger way in Canada's war effort.

In New Brunswick we have some oil shales. This was mentioned yesterday, and the minister explained, rather briefly, I thought, the situation prevailing there. I put a question on the order paper and received a reply. I now wish to state that a lease covering some 10,000 square miles in New Brunswick was made to a company to promote the development of products from that area. This company was primarily engaged in the production of natural gas, and as a result confined itself to sinking shallow wells, the idea being that if deeper borings for oil were made the pressure of the natural gas, in which this company was chiefly concerned, might vanish. But the general welfare of the province suffered as a result, and I am glad to say that I understand within the last few years that lease was cancelled. I was also glad to know, from a statement made by the minister, that he is asking officials of his department to determine to what extent oil may be developed from shales in New Brunswick. As I understand it, the deepest well in the province is down to about 3,500 feet. I believe there are about 126 such wells.

The situation there was somewhat similar to that which prevailed prior to 1936 in the Turner valley, where only shallow wells had been put down. But six years ago very deep wells were sunk, and as a result the Turner valley became one of the bright spots in our Canadian industrial life, and is proving to-day to be of the utmost importance in, may I say, the preservation of civilization. If such is our objective, and we believe it is, considerations of dollars and cents should vanish completely, and the New Brunswick deposits should be thoroughly investigated and promoted. Nature gave us these resources, and man should put them to use.

In New Brunswick we also have a coal supply, principally at Grand Lake. The coal deposits in the province have never been developed, although there are, I believe, some thirty outcroppings, appearing in eleven out of the thirteen counties. There again, it seems to me, nature has provided us with something which might be developed.

What I rose to discuss principally was the situation regarding pulpwood in New Brunswick and the maritimes, as this is another commodity which comes under the Minister

of Munitions and Supply. Busy man though he is, it also has been attached to his department, and in turn, of course, a timber controller was appointed, and a deputy controller for pulpwood under the timber controller. I happen to know something of the pulpwood business, because lumber is the product to which I devote my private activities. It is not the first time that I have referred here to the pulpwood situation in New Brunswick. In December, 1940, the Minister of Finance had a resolution before the house regarding tax concessions to be given to pulp and paper companies, upon the theory that they were depressed during the basic period 1936-39. At that time I said I agreed that business generally should be treated flexibly. Here is a brief quotation from my remarks which appear on page 746 of *Hansard* of December 6, 1940:

> . . . the newsprint industry should be informed that the primary producer of pulpwood, the farmer, is not receiving a sufficient return in view of the increased profits and the much greater returns which evidently the newsprint companies are making to-day.

By "returns" I of course referred to the financial return. At that time, Mr. Chairman, pulpwood was being purchased in the province of Nova Scotia at $7 per cord of 128 feet. Again, as recorded in *Hansard* of March 18, 1941, and in November, 1941, I was forced to quote from the press references to the pulp and paper companies indicating the enormous earnings they were then making, which in one case increased from 44 cents per share to $4.14; in another case it advanced from 14 cents per share to $6. If these companies were earning at that rate, I submitted, they were in a position to pay more than $7 per cord for pulpwood to the farmer-producer. Nothing was done in the way of appointing a controller. However, as always happens, the law of supply and demand operated, and pulpwood began to acquire in the hands of the primary producer a greater value. Because of some requests, a controller or deputy controller was then appointed. There was a great fanfare of publicity, and we were told that an acute shortage of pulpwood existed in Canada. I could not understand, if that were so, why there was no great demand—and there was no great demand in the province of New Brunswick. In a return brought down on April 28 the following question and answer appears:

> 5. Is there a serious shortage of pulpwood in Canada?
> Answer: No.

If that be so, it seems to me that the appointing of a controller with the embargo which that controller has placed on pulpwood constitute another very serious handicap against the people of New Brunswick. After all, if Canada is short of any commodity—it makes no difference what that commodity is—and it is necessary to the winning of the war, it follows, first, that the primary producer should receive a fair and just return for his product, and, second, if it is needed by the nation it should not be allowed to go beyond the boundaries of the nation.

May I, without wishing to become too parochial, cite a case in point? One of my keenest competitors in the Miramichi district received a contract from a mill in the United States which would have brought into the constituency, in United States funds, between $80,000 and $90,000 in a few weeks. That gentleman was refused a permit to ship the total quantity of cordwood mentioned in the contract and was permitted to ship only 500 cords. Yet the Montreal *Star* referred about a month ago to a further tax concession given to two particularly-named companies because they were extending their plants. One company was bringing in just over $200,000 in United States exchange in a year. Now, why is this New Brunswick person, who is the keen competitor to whom I refer, not permitted to bring $90,000 in United States money over a short period of time into the constituency of Northumberland for the benefit of the people of that constituency and for the benefit of the foreign exchange control board, while another company was given tax concessions because it would bring in, in the course of a year, approximately double that amount?

That seems to me to be most illogical and not quite fair. Again, to-day we are facing, we were certainly facing several weeks ago, a most acute shortage in Canada of meat for human consumption. What did happen? In western Canada the farmers held their cattle off the Canadian market, so we are informed, in order that they might receive a higher price by exporting them to the United States, notwithstanding the fact that there was and still is a ceiling on meat in Canada. It has been reported that the Minister of Agriculture (Mr. Gardiner) refused to abide by the ruling of the wartime prices and trade board, on the theory—and I think he was certainly sound in this, morally if not legally—that all through the years the farmers in western Canada had received poor prices for their cattle and are therefore entitled to something more in those particular areas. I say, that is humanly understandable. But if that is proper in western Canada, I should like to know by what line of argument or on what theory the producers of pulpwood in eastern Canada are refused a permit to ship this wood to the United States, there being no shortage in Canada.

I want to make it clear that the ruling, so far as I can find out, is that if an exporter of wood in Canada had been shipping to the United States prior to the placing of this embargo, that Canadian exporter could go on sending wood to the United States, but not to a new company or to a new purchaser in that country. What logic is behind that? Let me ask this question. How would the Canadian government, the minister himself, individual Canadians feel if we suddenly found placed against our Canadian effort a ruling by the United States government that because a Canadian company had not purchased steel or any other article going into war work that company would not be permitted to buy from a United States manufacturer? To me these things do not in the slightest degree spell consistency or logic. There is a way of sabotaging Canada's war effort indirectly, unconsciously and innocently. We sometimes think of the saboteur as a man who in the dead of night creeps into some power plant and, as a culprit, blows up and destroys that property. But in higher places, in broad daylight, I might even use the words through stupidity, certainly through lack of knowledge —that would be a kinder expression—Canada's war effort can be sabotaged. I do not say for a moment that any person is trying deliberately to do these things; but innocently such things can be done. Members of parliament, because of their experience from day to day, are in close contact with what is going on in industry and other lines, and surely they should be in a position to advise the minister, not necessarily here in the house, but at any rate in private in his office, or they could advise his officials, as to what might be done in a practical way to make governing regulations workable. There are so many regulations being passed now, and after all, Canadians are, if I may use the term, free thinkers in these matters; certainly they are of a pioneering spirit, and it seems to me that all these orders and regulations imposed upon business are seriously retarding Canada's war effort.

I believe that members of parliament could be made use of in this respect. They are elected to represent the people in all parts of Canada, and they are in constant touch with every phase of industrial life in the dominion. Their advice could be given, but instead we are wasting our time in this house when we could be devoting our attention to something more useful. Frankly, I wonder why I spend my time in Ottawa. This experience of being a member of the House of Commons has been a great disillusionment to me. True, I realize that we are passing through most strenuous times, but at the same time the situation demands of us much greater sacrifices and greater energy than we may be able to afford in times of peace. I plead with the minister and the government to recognize members of parliament as human beings possessing some degree of intelligence and devoting their time in parliament to the end that this institution may not, through its present trends, completely vanish as a part of our governmental life. It can happen here; it has happened in other places. A similar governmental institution vanished from Venice, for example, many centuries ago, and all that was heard in pre-war days in the empty senate in Venice was the click of the heels of tourists. Am I to ask myself whether some day tourists will come in here, walk through the building, look at this gorgeous chamber, and say, "Here once democracy functioned, but those who were charged with that democracy failed, so that it is now a museum?"

I repeat, these things can happen here. In my opinion, this institution of parliament is sick and diseased. That disease, that atrophy, is creeping on from day to day, from week to week, unless leadership comes from the government. The things that I mention are not simply the result of my own phobias. I know them and they are presented to me. I am not taking up the time of the house from any desire to embarrass the minister or his department. No. I wish in any way I can to be of service to others, to represent those who have been of great service to me. I, sir, have been most fortunate; but I must say that down in New Brunswick, one of the oldest provinces in the dominion, a young man starting in life to-day to build up for himself a future, such as my father built for me and passed on to me, has not the chance of the proverbial snowball. It just cannot be done, because business to-day in Canada has become involved in enormous corporations and these corporations are so far-reaching that it is the balance sheet that is ever present whenever human values are to be considered.

Again I plead that this house take unto itself very quickly the idea that politics and the seats we hold here are secondary things and that we must preserve our institutions to pass them on to those who will come after us. Let us realize that if we squander these things we shall some day be held greatly responsible. As a case in point, it is a dreadful thing for me to have to say at this moment in Canada, in our present circumstances, that because of the lack of Canadian policy in days of peace, when we thought we could talk ourselves out of depression, if it had not been for the Germans buying pulpwood in eastern Canada

many of our people would have starved. I sat at my desk in my own office and opposite me sat the captain of a German boat. He said, "Mr. O'Brien, what a wonderful country you have here. If we only had this country what would we not do with it!" And I, sir, in great humiliation sat there and listened to that man, knowing that if the Germans had this country they would make it indeed industrially a wonderful country. The river up which his ship sailed for forty miles, from the sea, with 35, 40 and 45 feet of water at the docks, is now completely abandoned. There is not to-day the slightest sign of a ship or a sail or of any animation on that river. Can any other country squander these natural resources and fail to develop them as the governments of Canada down through the years have been doing?

I have spoken about pulpwood, but I have not made any recommendation. I think I should make at least a suggestion. I ask the minister to have his officials seriously consider the lifting of the embargo on pulpwood, until such time as it can be proved beyond the shadow of a doubt that there is a shortage in Canada and that the interests of the Canadian people, not necessarily those of the owners of Canadian pulp mills, are to be served. If that is done then, as in the case of the recent gasoline restrictions, our people, rich and poor, will submit to the very last ounce of endurance. But if there is no shortage in Canada and these people are restricted in their God-given right to earn a livelihood, then I think something is seriously wrong.

I have here a short clipping which rather expresses my experience here in this House of Commons. The article was written by Mr. Bruce Hutchison and appeared in the Victoria *Times;* I found it extremely interesting. I quote:

> One leaves Ottawa with a certain relief, like a man leaving a well-kept hothouse and getting into the fresh air. Ottawa is a hothouse and many of its most attractive growths are orchids, which can survive only in a high temperature and with the greatest care. In fact, Ottawa, speaking in an entirely non-partisan sense, is much too orchidaceous to be the capital of a rough, tough young country like Canada.
>
> It is easy to be absorbed into the official hothouse of Ottawa. Few men survive it. In an intellectual sense they become orchidaceous very quickly and seldom can stand intellectual frost and rain any more.
>
> This is not due to any particular sinfulness of the capital. The House of Commons, in fact, is probably as moral and straight-laced a group of men as you could ask for. There is no management wickedness such as the movies have given Washington; no glorious sirens who lure state secrets from fat old prairie statesmen: no dramas of blackmail and seduction; but rather an intolerable respectability, a dullness which numbs the heart.

[Mr. O'Brien.]

That article which I have quoted in part rather expresses my views. I am one of those who desire to serve, and from my seat in this House of Commons I freely offer my assistance to the government. I cannot do more. Again I plead with the minister to make use of the members of this house coming from New Brunswick, irrespective of party. We have ten members here, and I am quite sure those ten will submerge their political leanings at a time like this for the ultimate good of New Brunswick and of Canada. If I can be of any assistance in that respect, even in a small way, I freely offer my services.

Mr. HOWE: I am always glad of the advice of members of parliament; I am always glad to draw upon their experience, but if the advice is to the effect that we should lift our export restrictions on raw material, I am afraid that would not be very helpful in winning the war. As hon. members know, we have a controlled economy in Canada, and have had for a very considerable time. There is a legal limit to the price which may be paid for pulpwood. There is a legal limit to the price that may be paid for steel, as there is in the case of many other raw materials and finished products. The country to our south, and the various countries to the south of it, have not economies controlled to the same extent that ours is controlled. The price of almost anything is higher in the United States, and higher again in central and south American countries, than it is in Canada. What would be the result if we did not exercise export controls? Almost everything we have in the way of raw materials would be sent abroad as raw materials. For instance, there would be no lumber industry in this country, because the logs would go over the border. There would be no paper industry, because the pulpwood would go over the border. There would be no steel industry, because the pig iron and billet steel would go across the border as such. There would be no munitions industry, because all the copper, nickel and other materials we have would go over the border as such. In other words we would be left as producers of the rawest of raw materials, and our manufacturing industry would cease to exist. We control the prices of our finished products, and of course in order to make those products it is necessary to retain in Canada sufficient raw materials at prices consistent with our whole price structure. Pulpwood is not a munition of war,

as such. By putting it through a paper mill or an explosive plant it can be made into a munition of war. My hon. friend speaks of the export of pulpwood to Germany, which he says saved the economy of New Brunswick. Britain is getting that pulpwood back now in the form of explosives. Many of the bombs dropped on London probably were charged with explosives produced from New Brunswick logs.

Mr. O'BRIEN: I should like to deal with that matter right now. The people of New Brunswick, or certainly the exporters of pulpwood, are being more or less accused of having sacrificed the greater and better things of life for the selfish bank account, and I protest most vigorously against that suggestion. At that time there was never any thought of war. But the minister who just made that statement belonged to a government which permitted exports to go to Japan in time of war to be made into bombs which now are falling upon helpless people, and which before long may be falling on helpless Canadians. Our people in New Brunswick have been subjected to this sort of economy for so many years that it would have been nothing short of ridiculous then to refuse that business from Germany, when the Canadian government of the day was unable to offer them any other relief.

Some hon. MEMBERS: Hear, hear.

Mr. HOWE: I am glad to hear those cheers. That was a very illuminating explanation, and I am sure everyone is quite convinced that any control over the exports of pulpwood is entirely wrong. However, if I may be allowed to continue until I complete my statement—my hon. friend now having made two speeches, he may permit me to make one—the reason there is control over the export of pulpwood is that there is only so much pulpwood available in Canada. Everyone is allowed to log as much pulpwood as he will or can; there is no restriction on the logging. All we ask is that the needs of Canadian industry for pulpwood be filled first. We impose the same regulation on lumber. We tell the lumber industry to manufacture all the lumber they can. We would like them to manufacture every piece of lumber that can be manufactured, but before they export to a market where prices are higher they must fill the needs of the Canadian market, at Canadian prices. That is what we say in regard to pulpwood and what we say in regard to any number of raw materials. There are very few materials required in the war economy of Canada that are allowed to be exported freely. I thought everyone understood that; I am surprised that I must explain it. However, I am very glad to do so, because it seems that the explanation is necessary. There is no restriction whatever on the logging of pulpwood, and every stick may be disposed of.

The reason we ask our manufacturers not to accept new customers in the United States is that we wish to manage our own economy while causing the least possible dislocation in the United States. We take the view that if manufacturers in the United States have been in the habit of coming to Canada for their supplies, we would like to see these customers given a preference when we are disposing of our commodities. But we do not wish our people to take on new customers in the United States because of the dislocation that might be caused in that country due to Canada's domestic regulations.

Mr. HAZEN: Madam Chairman, arising from the discussion which took place in the house yesterday afternoon with regard to further restrictions in connection with gasoline rationing in the maritime provinces, I have received a further telegram from the New Brunswick automobile dealers' association, and from the Saint John automobile association, which I should like to read to the minister. It is as follows:

With further reference to yesterday's discussion in the house in which Mr. Howe states that no tank cars are being used transporting gasoline from Sarnia to the province of Quebec he cannot deny that tank cars are being used to distribute gasoline from bulk storage plants to plants in Ontario and Quebec. How then does he justify his statements of a few days ago—

Mr. MACKENZIE (Vancouver Centre): I rise to a point of order. It is obvious that the hon. member or any other hon. member cannot read outside comment on statements by a minister while the debate is in process.

The ACTING CHAIRMAN (Mrs. Casselman): Under citation 306 I rule the hon. member out of order.

Mr. HAZEN: Perhaps I may be permitted to give a summary of the telegram.

Mr. MACKENZIE (Vancouver Centre): That is all right.

Mr. HAZEN: And then I might be permitted to put a question to the minister. The purport of the telegram as I have read it so far is that the minister states that no tank cars are being used in transporting gasoline from Sarnia to the province of Quebec. That statement appears at page 2617 of *Hansard*.

The ACTING CHAIRMAN (Mrs. Casselman): Order. The rule to which I have referred contains the expression "emanating from persons outside the house". Therefore the hon. member's observations are not in order. The rule is:

It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

I believe the hon. member is still out of order.

Mr. HAZEN: I shall not read the rest of the telegram, but I will read the question asked yesterday afternoon by the hon. member for Northumberland (Mr. O'Brien) and the answer given thereto by the minister. They are as follows:

Mr. O'Brien: How is Montreal being serviced to-day with gasoline from Sarnia?

Mr. Howe: By tankers.

Mr. O'Brien: Are any railway cars being used to take gasoline from Sarnia to Quebec?

Mr. Howe: No.

If I am not permitted to refer to the telegram my difficulty is increased. If tank cars are being used to distribute gasoline from bulk storage plants to plants in Ontario and Quebec, then these tanks are enabling the owners of cars in Ontario and Quebec to get five gallons of gasoline while the people in New Brunswick have to be content with two gallons. Yesterday the minister said he was trying to divide the gasoline fairly. Would it not be fair to divert some of these cars to New Brunswick, even if it meant that the people in Ontario and Quebec who drive motor cars were obliged to be content with four gallons instead of five? If some of those cars were diverted to New Brunswick it might result in the people of Ontario and Quebec getting only four gallons. Surely New Brunswick is entitled to more than two.

I am sorry I am not permitted to read this telegram, because I believe it puts the matter in a better light than I have been able to.

Mr. HOWE: I shall be glad to look into the situation, and if there are any cars that can be diverted for transporting gasoline to the maritimes I will examine the situation to see whether such cars can be diverted.

Mr. HAZEN: I will send the telegram to the minister.

Mr. O'BRIEN: Madam Chairman, I should like to reply to the minister. I believe I am in order, since in the meantime other hon. members have made statements. The minister referred unkindly to the people of New Brunswick, presumably exporters, shipping pulpwood to Germany. I wish to state clearly, however, that just as soon as war broke out and the British empire needed pitwood, although we knew nothing about this product in New Brunswick—the sizes required were from 4 to 12 feet in length, with top sizes 2½ to 8 inches—New Brunswick operators immediately entered into the production of pitwood. But one of the large Canadian pulp and paper companies operating in New Brunswick, through a subsidiary, refused to turn their organization into the making of pitwood for the United Kingdom until they were paid a price of $14.80 per cord. At that time, nearly two years ago, pulpwood in Nova Scotia was being bought by a pulp mill at $7 per cord. A cord of pulpwood contains approximately 87 to 90 cubic feet, and weighs approximately 3,000 pounds. Now the price is fixed by the timber controller at $10.

I remember some months ago in this house the Minister of National Defence (Mr. Ralston) and the leader of the opposition (Mr. Hanson) had a very interesting argument regarding the price paid for hemlock lumber by the Department of Munitions and Supply in Nova Scotia. The minister defended the price of $32 a thousand for hemlock lumber, which is an inferior grade in eastern Canada, and cited the timber controller as his authority for that price. A thousand feet of lumber converted into cubic measure is about 87 cubic feet and it weighs approximately 3,000 pounds.

Here is one branch of government which through the timber controller has said that $32 for hemlock lumber is a fair price for 87 cubic feet; yet another branch of government says that the farmer producing pulpwood shall get only $10 for the same volume by cubic measurement, and the same weight content, for his valuable pulpwood. At the time the timber controller authorized the Minister of National Defence to state that $32 was a fair price for hemlock lumber, the Canadian National Railways, under the guidance of the Minister of Transport, was permitting that organization to buy railway ties for approximately $17.80 a thousand. If these things are consistent, then I do not understand consistency.

Mr. NOSEWORTHY: Madam Chairman, I should like to call a few points to the minister's attention before he becomes com-

pletely bored. I am sure his patience must be wearing thin. Let me assure him however that that is the price one pays for greatness.

I have been particularly delighted to note the grasp the minister has shown of details in his department. Following him one is filled with amazement because he speaks with freedom on so many phases of the immense undertaking over which he has charge. My purpose this afternoon is not to criticize. I have a number of questions to ask in which a number of people in Toronto and the surrounding area are interested.

I was rather disappointed to hear from the Minister of National Defence for Naval Services (Mr. Macdonald) that there is no organization in Canada made up of scientists and investigators which is working for the improvement of designs sent here from the old country to be applied to boats we are building in this country. The hon. member for Yale (Mr. Stirling) called attention to this fact during the discussion. I think our war effort would be improved if we had some organization to check the specifications laid down in Great Britain for boats and for war equipment to be produced in this country. I am informed that a plant in my riding at the present time is making porthole covers from bronze costing forty cents per pound, whereas the engineer of the plant is reported to have said that the purpose for which these are made could be equally well served by a material costing four cents per pound. This is only one small item, but I feel that there are many items of this nature which could be checked.

Another matter of greater importance to me is in connection with our cargo boats. The minister has thrilled the country with the report of the speed shown in the production of these boats. However, if the minister and his department had deliberately set about to build boats that would serve as good targets for submarines, I doubt if they could have done better than the cargo boat that is being built to-day. These boats are of 10,000 tons, and I am told that they are somewhere near 400 feet in length. They are propelled by reciprocating steam engines weighing 100 pounds per horse-power produced, the engines being placed in the centre of the boat, which necessitates a long tunnel to house the drive shaft. These boats move along at from ten to twelve knots, which is approximately the same speed as the underwater craft. As I say, they make particularly good targets. According to reports published in the United States, in order to replace the ships being sunk on the Atlantic route between Canada and Great Britain it would be necessary to build approximately two ships a day, which is more than we are producing in both Canada and the United States.

I should like to ask the minister if any attempt has been made to improve the design of these cargo boats which bear the precious munitions of war manufactured in this country, which carry the aeroplanes which we make and which are so esesntial to our allies. I have been informed on what I consider to be good authority that small diesel engines are manufactured on this continent, and that these could be arranged in groups on a ship near the stern, thus permitting greater loading capacity and almost doubling the speed. I am told that ships can be built with watertight compartments along the side in which could be loaded grain or other cargo that would absorb moisture and enable the ship to remain afloat long after it was attacked.

I am informed that these boats have practically no armour and carry light guns only, which give them practically no defence against a surface raider. I should like to know if any attempt has been made to change the structure of these ships in order that they may carry heavier guns and be able to defend themselves. This is an important issue in our war effort. I am convinced that Canadian ingenuity and Canadian engineers should be given the opportunity of improving, if possible, upon merchant marine designs which were antiquated long before this war began.

Since we have in the greater Toronto area a number of aeroplane plants, I should like to deal for a moment with the question of aeroplane production. I asked the Minister of National Defence for Air (Mr. Power) a question about the Martin bomber project at the Malton plant. I think when a project costing well over three quarters of a million dollars and employing hundreds of men for nine months is abandoned without a single ship having been built, we are entitled to a more satisfactory explanation than that given by the minister. I take it that the Minister of Munitions and Supply is informed of this project and can give us an explanation.

I should like to call the minister's attention, as I did the attention of the Minister of National Defence for Air, to the condition of the road running to Malton. When discussing roads running to another munitions plant the minister explained that their condition resulted from the fact that they ran through private property. This road runs through publicly-owned property; it is a publicly-owned road, yet because of the conditions of this road many thousands of man-hours have been lost at the Malton plant. The manager told me

that one of his greatest difficulties was to keep his men. The plant is situated a long way from the centre of Toronto, and the transportation problems are so great and the workers find it so difficult to get to work that they take the first job offered nearer the city. This matter is of such vital importance to the nation that no provincial government or municipal authority should be allowed to hold up the improvement of this road.

I want to call the minister's attention also to the situation of the plant of Canadian Associated Aircraft Limited. I have a letter from employees indicating that they have been informed that the plant, which has been engaged in the production of Hampden bombers, is to be closed until such time as the neighbouring plant, the National Steel Car company, is in a position to take it over and proceed with the production of Lancaster bombers. Since coming into the house to-day I have received a telegram from the employees of that plant to the effect that they have just been notified that 35 per cent of the employees of the plant are discharged, while the rest are to be put on part time until such time as the nearby company is able to absorb their labour. There you have a group of workers who are anxious to get on with the job of building Hampden bombers. They have written to the department and asked why the production of that particular bomber has been discontinued. The only satisfaction they received—I have a copy of the letter which was sent in reply to the employee who wrote—from the official who replied was an inquiry about the writer of the letter, who he was and what his interest was in that plant. The situation is such that unless the men are put to work a group of experienced aircraft production workers will be dispersed, and then there will be a further hold-up of production until the new company find skilled mechanics for the project they have on hand.

I should also like to call the minister's attention to a complaint I have received regarding de Havilland. I am told that that plant is working on a four-engine bomber of English design, most or many of the parts of which must come from England. The hazards of shipping may render the receiving of these parts difficult, or at all events delay may be experienced in their reception, and those who work at that plant are questioning the advisability of that production. I have no doubt the minister has much more knowledge of the situation than these men have, but here are men who are interested in war production and they are anxious to know that the best possible means are being taken to increase our war production. I think the questions they ask should be answered. The statement which the minister has already made on the work of his department, and the knowledge it has given to the people of this country of the vast ramifications of our war effort, is all to the good. I am simply bringing these questions before the minister in order that he may have an opportunity of clearing up much suspicion and many doubts in the public mind regarding this work.

Turning to the field of construction, I have a letter here signed by an employee of the Massey-Harris plant on Weston Road. He has been employed at that plant for three years, and is a reliable man. He tells me that the plant is very much overstaffed, that the employees are actually getting in one another's way. His suggestion is that the work that is being done at that plant could be done by half the number of people who are now employed. I should like the minister to tell us whether or not that plant is working on a cost-plus contract.

I am also told by the same writer that at that plant skilled workmen are engaged in producing kitchen and office furniture from American whitewood which costs approximately $100 per thousand feet—furniture that could be made from Canadian wood and serve the purpose equally well. The Canadian taxpayers who see these things or hear these things from men working in these plants want to know where their money is going and whether they are really getting value for all the money they are spending on the war.

I am further informed that at the small arms plant at Long Branch, also near York South riding, very expensive building material is being used, material so costly that a building in which it is used should last for fifty years. It may be that it is the intention of the minister or the department that that building should last fifty years. It is possible that they have plans in mind that will thoroughly justify the use of these expensive materials. But you have the public wondering why. They wonder why, in an office building for the air training scheme, we are using cut stone, 7,500 feet of it, I am told, in one building. The people are asking whether that expenditure is warranted.

I have also a few questions for the minister about the fuse-filling plants, one of which is situated in that locality. I am not sure whether the minister's department has any responsibility for contracts placed with United States companies, but he told us the other day that he received orders for material from various ministries and that he places the contracts wherever he can get the material. There are a number of fuse-filling plants in the United States working on the same type

of contract and filling the same type of fuse as the plant at Scarborough and Cherrier Field. These American companies are Exell Foundry, Falls River, Boston; National Fire-Works, Elkton, Maryland; and National Munitions, Elrick, Pennsylvania. My information is that the first shipment of 90,000 fuses delivered by National Fire-Works at Elkton—I have reference to fuse 119, mark 4—were rejected by the inspection board of the United Kingdom and Canada. That knowledge is spreading among the workers in these plants. I have been asked to find out whether these are the facts.

I am also informed that the Canadian factories are filling these fuses at about half the rate of the United States plants, and that a very high percentage of the fuses filled at the Scarborough and Cherrier Field plants are rejected.

My attention has also been called to the fact that considerable difficulty has been experienced with workers in structural steel and heavy steel generally, and that many plants have received shipments of steel and found that they had not the skilled help required. The help in the meantime has probably gone to another plant. A foreman in an industry of that kind asked me to suggest, and I pass the suggestion on to the minister, who has probably thought of it already himself, that there be formed a pool of steel workers under the direction of the minister or some official, so that when a plant does receive a shipment of steel, the officials will know immediately where the workers may be found, whence they may be sent immediately to that plant and be available for plants working in the steel industry, in order that there may be no delay through loss of time on that account.

Finally, I would ask the minister if any steps are being taken in his department to set up a cooperative effort between workers and management. We have received numerous reports from the United States where this cooperation between managers and workers by means of cooperative committees has speeded up production in numerous instances. I understand that the workers' representatives have been asking for a long time that some such committees be set up in the munitions plants and other war industries in Canada. I doubt whether that can be done unless the government itself is prepared to take the initiative and show some leadership in that respect. I think it should be done. Managers and workers alike are interested in production, and given some leadership from the government, it is quite possible that cooperative committees can be set up in our industries which will assist us greatly in our war effort.

Mr. HOWE: Regarding the design of ships, I think it is hardly fair to say Canada is contributing nothing. We have a firm of marine engineers and designers, Messrs. Lambert and German and Mill—to give them some publicity. They have been here for many years; they are very expert; they have designed a large part of the shipping which has been produced in Canadian yards. Mr. Mill is retained permanently by our director of shipbuilding. He has, I think, contributed a good deal to the design of ships which have been built in our shipyards during war time.

My hon. friend referred to the type of 10,000 ton cargo ship we are building to-day and said that it might be greatly improved. I may say that this ship was designed particularly to meet present day war conditions. All the designers in England pooled their ideas to produce the design which came from England, and I might say that in the United States and in Canada that design was accepted with very slight modifications. I understand that the Liberty ship in the United States is slightly, but only very slightly, different from the 10,000 ton freighter which we are building in Canada. Both follow the design which is being used in England for common type cargo ships. The ships which are being built in the three countries are practically of the same design. The reason that it is a slow ship is that all ships to-day travel in convoys, and the speed of even the so-called fast convoy is only about ten knots, so that a ship of eleven and a half or twelve knots is as efficient travelling in a fast convoy as a ship whose speed is five or six knots greater.

Early in the war it was the practice that ships of fifteen knots and over travelled without escort. However, it has been found that losses of ships travelling without escort, even at considerable speeds, are heavier than of ships in convoy. To-day very few freighters, regardless of their speed, travel out of convoy. As a matter of fact, ten knots is a rather high speed for a convoy. I believe that nine knots is more nearly the speed of a fast convoy, and about six knots is the speed of the so-called slow convoy.

Steam is used as a propellent for several reasons. One is that the steam engine is cheaper to construct. Another is that coal is a fuel available everywhere. And of course, in case of damage steam engines are the most easily repaired. Diesel capacity is highly regarded for high-speed passenger ships, but in the freighting trade steam has always been preferred to internal combustion engines.

The story of the Martin bomber is typical of what the aircraft industry is up against in war time. The story is that our air force

ordered the procurement by my department of a considerable number of Martin bombers. It was decided that the Martin bomber should be manufactured in Canada, and arrangements were made to manufacture them at the National Steel Car plant at Malton. The job was put in hand at Malton and a considerable amount of work was done in setting up jigs for that type of manufacture. When the work was nicely under way we received a very urgent demand from Great Britain to arrange in Canada for the manuufacture of a new-type four-engine bomber which was believed to be superior to anything then in combat. Naturally we objected that we had no suitable capacity. We had an emissary come from England to urge the necessity of developing this type of production, and after consultation with the air force we finally decided that the urgency and the needs of Britain were such that we would be well advised to change over from the Martin bomber to the British type. The British-type bomber is on the secret list, and it is not permissible to mention the name.

Britain had an order of Martin bombers in the United States, and these bombers for Britain were the first off the production line in the United States. To compensate us, or at least to ensure the procurement of the Martin bomber for our own air force, we were promised the first bombers off the production line for British account. The understanding was that there would be an exchange of dollar for dollar: we would get the Martin bombers from the United States through Great Britain and we would credit Great Britain with the cost of the Martin bombers in the United States against the British-type four-engine bomber in our plant. The cost of tooling was included as part of the amount for which we were to receive compensation in the form of Martin bombers from the United States. There was no monetary loss to Canada on tooling, but of course there was a dislocation there, which has been unfortunate. However, the Anson project was close to production at that time or perhaps had started production. We put a very considerable number of Anson bombers into the plant, and there was actually very little dislocation of labour through the change in arrangements.

I might say that that sort of thing is an everyday incident in the aircraft industry. Unfortunately it is not possible to take a pre-war type of plane and continue to manufacture it indefinitely, for the reason that the art of building fighting planes advances as conditions of combat change. At the beginning of the war the Hurricane was perhaps the plane that saved England, but to-day it is not suitable for fighting over England because the fighting takes place at altitudes which the Hurricane cannot reach, so that other types are used there. The Hurricanes we are making at the present time are sent to other areas where different conditions apply. From time to time we have had in almost every type of production radical modifications of design which have necessitated interrupting production and introducing changes into the plane, with a good deal of loss of production and slacking off of employment.

The road to Malton is a subject about which I have heard a good deal. As hon. members are aware, the building of highways is not a matter for the federal government. The provincial government, cities and counties are responsible for the building and maintenance of highways with the limited exception of the Trans-Canada highway in which the dominion takes an interest. We have sponsored improvements in the road from Toronto to Malton and have made a gratis contribution of a considerable proportion of the cost of building the road. That contribution has been paid in cash to the provincial government. The sub-grade of the new road is built. We are aware that the road is in bad condition and are making proper representations to the provincial government. I am hopeful that the governments concerned will take action shortly to improve that situation, but it is not a matter in which the federal government can go further than it has already gone.

The matter of Hampden bombers is as my hon. friend states. The plant alongside the National Steel Car plant was assembling Hampden bombers, and the National Steel Car plant was building components of Hampden bombers. That bomber is no longer of sufficient value as a fighting machine to be useful in the war, and production in this country has been suspended. The production of the four-engine bombers, to which I previously referred, will supersede that work in the plants formerly operated by the Associated Aircraft companies. This plant will become an annex of the National Steel Car plant. I doubt whether there is any great interruption in employment. As a matter of fact the National Steel Car plant has been, I understand, short of aeroplane mechanics for some time. I rather imagine the men will be absorbed by the plant in Toronto and that the men in Montreal will be absorbed into overhaul work. In any event anyone who calls himself an aeroplane mechanic will have no difficulty obtaining employment in any of

the various plants in Toronto—the National Steel Car, de Havilland, Massey-Harris and one or two others. No man in the aircraft industry will have any difficulty in being reabsorbed immediately into the aircraft industry even though he must leave the plant in which he is working at the present time.

My hon. friend spoke of the de Havilland plant and criticized the type of plane being built there. I hardly think that his statement, that a great number of parts must come from England, is correct. It might have been true with regard to a few initial planes, but my understanding is that the new plane being produced by de Havilland will be an all-Canadian product except for the engine. Here again we are building a very modern British plane. It is also on the secret list. We think it marks a definite advance in the type of plane to be built in Canada. It is quite fast, well armed, and capable of flying the Atlantic. It is equipped with twin engines, not four engines, and should be one of the most useful planes in the war. We undertook the construction of this particular plane because we were urged to do so by Great Britain. They felt it highly desirable to have a Canadian source of supply for this aeroplane. My hon. friend spoke of Massey-Harris as manufacturing furniture. I was not aware that Massey-Harris manufactured furniture.

Mr. NOSEWORTHY: Furniture from American wood at $100 a thousand.

Mr. HOWE: I was not aware that they manufactured furniture and I am sure it is not for our account.

Mr. NOSEWORTHY: My report is that the employees there were engaged in making kitchen and office furniture from American wood at $100 a thousand.

Mr. HOWE: I suggest that my hon. friend may have another plant in mind. I would not be dogmatic about it, but I have never heard of this company manufacturing furniture. Certainly I doubt that they are manufacturing furniture for the Canadian government. It is my information that very little wood from the United States is imported into Canada in connection with the furniture business. However, I am not competent to deal with this question without obtaining more information.

In the matter of small arms, this is a government arsenal for the manufacture of rifles and sub-machine guns. The number of employees per square foot at the plant is very high as manufacturing plants go. To afford employment of that kind it is necessary to have an air-conditioned plant, the best lighting, and conditions that cannot very well be maintained in a temporary building. I am familiar with the type of construction at Small Arms, and I hardly think it is extravagant considering the extensive use made of floor space. Those familiar with manufacturing will agree that the cost of building is reasonable in proportion to the output. The monthly output valued in dollars from that plant is quite high in comparison with the cost of the plant. I appreciate the spirit in which my hon. friend has given the information, and I hope I have covered the points he raised. If not, I shall be glad to amplify what I have said.

Mr. MacNICOL: Can the minister give us some information in reference to the telegram I left with him?

Mr. HOWE: The hon. member for Davenport (Mr. MacNicol) sent me a telegram stating that 35 per cent of the employees of Canadian Associated Aircraft at Malton would be discharged in three weeks.

Mr. MacNICOL: Signed by some of the workers' committee.

Mr. HOWE: Yes. That is very likely correct. This is the plant which was formerly making Hampden bombers, but I feel sure the workers will be absorbed in the adjoining operation or in the de Havilland or Massey-Harris plant.

Mr. NOSEWORTHY: Will the minister give some information on the question I raised with regard to the fuse plants?

Mr. HOWE: In regard to the fuse plants, we did buy a few fuses before our plants came into production. We got them from a British order in the United States. I daresay there were some rejects, but if there were they were not paid for. They were purchased subject to inspection. I believe the record for fuse filling and small arms ammunition is very much better in Canada than in the United States. At the moment we are obtaining no fuses from the United States; as a matter of fact we are shipping filled fuses to the United States. Everything I learn about the fuse-filling operation at Scarboro leads me to believe that it is a very efficient operation. I know that the costs are good, because we have no difficulty in disposing of the fuses outside the country. I believe the operation is very efficient as to both quality of ammunition and cost.

Mr. DIEFENBAKER: The minister has dealt with Canadian Associated Aircraft Limited, the employees of which apparently sent quite a number of telegrams to members of the house this afternoon in regard to the closing of the plant and their discharge from employment. From time to time letters have

been received by hon. members in regard to conditions in various aircraft factories in Canada. Within the last day or so I received one such letter, and I think I should mention the name of the plant. I refer to the Noorduyn factory at Cartierville, Quebec. In that factory are a thousand workers, many of whom, according to the information I have received, are idle part of their time because of a shortage of materials. That is something which requires explanation. It is all very well to say that these things are just gossip, but the fact remains that not only in this case but in the case of the plant at Malton there are substantial grounds of complaint.

Mr. HOWE: Did I say it was gossip? My hon. friend has given me a specific case.

Mr. DIEFENBAKER: I am dealing with a specific case.

Mr. HOWE: Do not put words in my mouth. I have not said anything.

Mr. DIEFENBAKER: I have heard that expression used by the minister on several occasions when such matters were mentioned, but I hope he will not regard this as gossip.

With regard to the Noorduyn factory, is it a fact that those employed there are idle during some part of their working time because of a shortage of materials? Is it a fact that there has been a shortage of materials? I think there would be a great deal less recrimination in regard to this subject if the minister would place before the committee such surveys as he has made, which will set forth any shortages that have been found and any delays that have resulted therefrom, together with the number of men who have been kept idle due to the fact that there has been any shortage of materials. As far as the aircraft production in December last is concerned, there must have been a decline; otherwise a director of morale would not have been appointed, his duties being to increase aircraft production. I think the committee is entitled to know the circumstances connected with his appointment, including any surveys that were made leading up to the appointment of such an official. My information is that not only was such an official appointed—and I am not now dealing with the circumstances connected with his appointment—but two journals, one in English and one in French were turned out for circulation among the aircraft workers. Is it a fact that such journals were published and circulated among the workers? If so, was the cost met by the government, or was it indirectly financed as overhead? What in general were the circumstances that impelled the director of aircraft production to undertake a morale building campaign?

According to the evidence that was given before the Truman committee in the United States, which went into the matter very fully, there was a hold-up in aircraft production, for which the committee found several reasons. The first was that too much red tape held up production. Is that one of the reasons in Canada? The next reason was that there were too many changes in specifications, with a lack of standardization in combat and bomber planes. The explanation given to-day by the minister in regard to the change from Martin bombers to four-engine bombers was, I thought, very reasonable. Explanations like that clarify the situation; recriminations do not. Is it a fact that there have been too many changes in specifications in Canada? Have we yet arrived at a point where there is uniformity as great as can be secured in view of changing conditions and the exigencies of war?

I would also ask the minister what plans are being made for the production of aircraft engines in Canada. Is not difficulty being experienced in securing aeroplane engines in the United States, now that that country is in the war? The Truman committee also found that there were hold-ups because of the action of certain organizations which interfered with labour engaged in the production of aeroplanes. Has that been the case in Canada? I do not think so. I believe labour has cooperated well, but if it has not, let us have the particulars. Let us know why production is not what was expected. Have any manufacturers, producers or distributors of supplies been negligent in furnishing the aeroplane factories with necessary supplies? Has their neglect resulted in hold-ups in the various factories? If so, have these men been punished? What has been done in order to accelerate proper distribution on their part?

After taking evidence over a long period of time the Truman committee came to certain conclusions, and acted thereon. That was last January, and as a result aircraft production in the United States has greatly increased. So great was this increase that according to a recent authoritative statement, the United States is producing more aeroplanes than Germany. I ask the minister: Has there been an increase in aeroplane production in Canada since the appointment of a director of morale? Does he find that there are wide-spread shortages? These are things which, if explained, may very well go a long way toward explaining the situation which apparently exists in a number of aircraft plants throughout the dominion to-day.

In November, 1940, when the minister first enunciated in this house his scheme of giving financial assistance to industry, he told us he had plans for this industry after the war. The other day he told us that some $380,000,000 had been advanced to industry. The Truman committee looked into the matter of advances to industry in the United States; they wanted to know what were the plans of the government for the post-war period, in connection with the industries so financed by the government. The dominion government has put millions of dollars into private plants by way of subsidy or capital assistance. Is it the intention that after the war these plants shall compete with private industry?

In November, 1940, the minister said he had a post-war plan for these plants. What are the plans or what is the nature of the contracts he has entered into with these private industries, and the general purport of the government's plans for their utilization after the war? According to the evidence given before the committee in the United States, the general plan in that country is that private industry to-day operating government plants to which advances have been made are in the position where they shall have priority after the war in the leasing of those plants, and their continuance in civil production.

I would ask the minister frankly to set out the situation with regard to his difficulties in the aeroplane industry. If he places the matter fairly before us, we will give him our cooperation. We are not asking for particulars as to amounts or as to production in any one factory, because to furnish such information may cause harm. But we want to know something more than mere generalizations in connection with production of aircraft. We want to know whether all is well and, if all is not well, what can be or is being done to accelerate production.

Mr. HOWE: I shall surprise my hon. friend by answering this simple question with a simple answer. He asked if there was a shortage of material at Noorduyns, and I will say, yes, there is, and surprise him very much.

Mr. DIEFENBAKER: No; that is being frank; we want that.

Mr. HOWE: I was going to say that there is a temporary shortage of aluminum forgings at Noorduyns.

Mr. DIEFENBAKER: How long has it continued?

Mr. HOWE: It has been temporary. It has affected production for about a month, and we think we are catching up with it fairly quickly. Production at Noorduyns has been stepping up very fast indeed.

I would point out that an aeroplane plant such as Noorduyns is really an assembly plant. It assembles the product made by a great many other plants across Canada. If one of those plants gets out of step, the assembly line is closed down. When we are expanding industry as rapidly as we have—and I said the other day that the aeroplane industry had expanded fortyfold in the last two years—it is, in my experience, impossible always to keep a balance. We may be short of labour or materials at one point; for instance, in the Noorduyn plant we are temporarily short of aluminum castings. However, I do not think anyone has been laid off entirely on that account, although some of the staff may have been put on shorter hours. Instead of working overtime they have been working regular hours, or perhaps curtailed hours. I do not know how it can always be kept in balance. As I said before, a plant, if it is fully manned and fully machined, and with an unlimited rate of output, can be streamlined so that the product comes through evenly every day. But I do not think one could achieve that in the aeroplane business to-day. These temporary upsets or shortages of one kind and another—labour and material—do occur from time to time. That is why the production figures for various months are uneven, and they are bound to be uneven. However, the industry as a whole is making tremendous strides.

The hon. member has asked why a director of morale is necessary. I suggest to him that when 2,000 men come in from the farms and the cities every month, a little help in that direction is necessary to enable those men to be absorbed into industry. I think morale building has had a good effect. Just how it has affected the output of planes I do not know, but I presume it has not done any harm. I would think, too, that it has done some good because the output of planes has risen from week to week, and at this stage of our programme has reached a very healthy figure, especially when we remember that three of our plants are still tooling, and not producing.

I must say that I have not given a great deal of thought to the disposal of our plants after the war. I should like to get a little further along with the war before giving my attention to this. As I said earlier, capital assistance to industry in the form of plant and equipment is retained in the ownership of the

crown. That is, the product of the expenditure remains in the ownership of the crown. When we build a plant, we own the land on which it stands. When we put machines in, we own them. As far as the use of plants built by capital expenditure is concerned, all I can say is that everything is under rigid control. When the war is over, we can do what we like with these plants. We can turn the key in the door, if we wish, and shrink an industry back to its pre-war size. Or, if circumstances warrant it, we can use the addition to a plant for any type of production we may wish.

Very few commitments have been made. Commitments have been made only where secret processes have been used, and in that event we have given the firm which provided the process and supervised the building of the plant the opportunity of first refusal, in the event of the government deciding to sell. This is the only commitment we have made in connection with any plant built with public moneys. In other words, a plant could not be sold to a competitor without our first having offered it to the firm which designed, built and supervised it, and whose process we used without cost. In that way the plant would not pass into the hands of a competitor without first being offered to the firm in question which had built the plant.

An hon. MEMBER: At the same price.

Mr. HOWE: Yes, refusal at the bid price.

Mr. JACKMAN: On Thursday last, speaking of this morale-building campaign, the minister said, as reported at page 2451 of *Hansard*:

> I do not believe in this kind of propaganda in an industry. However, it was represented to me that the industry decided this was a desirable thing to do.

I am at a loss to understand whose policy prevails in the department, whether it is the policy which the minister believes to be the correct one, or the policy put forth by the director general of aircraft production. In that regard also, when the letter first came before the house last Thursday the minister said that when he learned the circumstances he stopped the charging to overhead of any contribution to this morale-building campaign. If the morale-building campaign would help the production of more aeroplanes, which we so badly need, then why is it not just as legitimate a charge against operations as labour or material costs? I fail to understand why the minister at that time had Mr. Bell's suggestion cancelled. What is the position to-day?

[Mr. Howe.]

Mr. HOWE: As the hon. member knows, by unanimous vote the industry asked that the campaign be continued. My reply was that if the industry itself wished to continue the campaign, it was at liberty to do so. But there were several objections to the letter, the chief of which was the suggestion that printing be diverted, as a means of compensation. I took strong objection to that. I took objection, too, to an officer of my department asking an industry to contribute money for any purpose whatsoever. If the industry had started a morale-building campaign within the industry, it would have been a legitimate undertaking. My objection was to the letter, not to what was done. There are certain rules of costing which provide for the payment of certain personnel. The director of personnel is a legitimate employee and if he wishes to conduct a morale-building campaign and associate himself in doing so with other directors of personnel, that would be legitimate. My objection was to an officer of my department appointing a man and asking the industry to pay him. If we appointed the man we should pay him.

Mr. JACKMAN: I quite appreciate that, but the minister was most definite on Thursday last, and I think again on Friday. On Thursday last, as reported on page 2451 of *Hansard*, he said:

> I also made sure that the payments would not become an element of overhead cost on the part of any of the subscribers.

While I agree that it was outside the functions of the director-general of aircraft production to organize this campaign, apparently without very much knowledge on the part of some of the constituent companies, nevertheless I do not see the difference between charging it to the cost of operations when carried on by the director of personnel of one company, and having an association of aircraft producers get together for this purpose and hiring a man to do the job for the whole industry. I do not yet understand if the function was legitimate. If the manner of doing it was not reprehensible, I cannot understand why there should be the slightest objection to charging the cost to operations. The minister was quite sensitive to it at that time; but if it is now being carried on with his endorsation, or at least with his consent, by an association or an officer who is not a direct employee of any one company, I cannot understand why it should not be a proper charge against the operations of the various companies.

Mr. HOWE: The collections made at the request of my director-general were not a

legitimate charge in my opinion, and I made sure that they were not so regarded. The rules as to what are legitimate manufacturing costs are laid down very exactly and agreed upon between my own officers, the treasury and the auditor general. If personnel work can be carried on within the four walls of these rules, no doubt it will be carried on. I did not wish to have funds raised at the request of my director-general for any purpose whatever and have those funds included in costs, and I took steps to see that that particular fund was paid for by those who subscribed and not by the government.

Mr. CASTLEDEN: Was there an arrangement with the treasury contained in that letter?

Mr. HOWE: I could find no evidence, and my colleague could find none.

Mr. BLACK (Yukon): In effect the resolution now before the committee is a $2,000,000,000 item in the estimates, and I should like to ask the minister a few questions about a matter, the expenditures for which will probably come within the vote to be based upon this resolution. Is it the intention of the government to put Trans-Canada Air Lines on the route from Vancouver and Edmonton to the Yukon and Alaska in competition with planes now being operated over that route? Are airports for this purpose to be built by the government to constitute a route in addition to the route now in use? Does the minister consider that the present temporary abnormal volume of business due to the construction of the Alaska highway will continue? In normal times the planes now operating this route are able to carry all the business offered. What is the estimated cost of putting the government air line on this route?

Mr. HOWE: Trans-Canada Air Lines is owned by Canadian National Railways, and reports to me at the moment because I am Acting Minister of Transport. I am not in very close touch with the company at the moment. The airfields on the route to Alaska are being built to provide an air route, but we are not going to duplicate. Any aeroplanes using this route will use the fields now being built.

Mr. COLDWELL: The government is building those fields?

Mr. HOWE: Yes; just as it has built all the fields along Trans-Canada. The purpose of Trans-Canada Air Lines is to operate a mainline service from coast to coast and certain international routes. Trans-Canada is operating certain international routes to the south, and it was the intention that it would operate any international route to Alaska and northward. Another company has been operating in this area for some time, and I cannot say just what will be the future policy. It will depend upon the wishes of Trans-Canada Air Lines and the decision of the board of transport commissioners which has jurisdiction over all air service routes in Canada. The decision is not likely to lie with me unless I happen to be Acting Minister of Transport at the critical time, which is unlikely. I do not remember my hon. friend's other question.

Mr. BLACK (Yukon): I asked the estimated cost of putting the government air line on that route. I am asking this question because up to the present time the transport commission have taken great care, and properly so, to prevent any overlapping of aeroplane services in Canada. They decide whether an established service is sufficient and, if it is, they will not allow another service to go in. As I see it, this is going to be overlapping of a most serious nature.

Mr. HOWE: The only recompense that any company using this route would get from the government would be payment for carrying the mails. The company operating there now is being paid for carrying the mails. If Trans-Canada went into this territory, the only recompense it would get from the government would be payment for carrying the mails. I may say that the Post Office Department has always protected the future position of Trans-Canada as the company to carry the mails on this route. The present contract is a month to month contract, and there have been warnings issued at all stages that eventually Trans-Canada will probably operate on the route. There will be no question of competing lines; if Trans-Canada goes in, the other line must go out.

Mr. HATFIELD: Will the minister consider issuing permits to pulpwood dealers selling to kraft mills in the United States who are manufacturing war material? These mills were not in operation before the war and are now denied permits because they were not purchasing pulpwood in Canada at that time.

Mr. HOWE: I assume they can find sources of supply in the United States. If the production of pulpwood in Canada extends beyond all previous figures so that it can supply the needs of Canada plus the former purchases by all customers, I have no doubt the timber controller will consider applications for permission to take on new customers.

Mr. HATFIELD: The newsprint mills have had no trouble in getting permission, but these new mills which are manufacturing war materials are denied permits. In my opinion these mills should have preference.

Mr. McNIVEN: I was interested in the remarks of the hon. member for Northumberland, New Brunswick (Mr. O'Brien) who, in a forceful, clear and logical manner, presented the case of what he described as the forgotten province.

Mr. HOWE: We have now passed to the war of the provinces.

Mr. McNIVEN: Coming from a province which is in that category industrially, I think I can justify an intrusion upon this debate even at this late hour. I was also interested in his conversation with the German merchant who called at his office some time in 1936. In 1933 the world's grain show was held at Regina and that exhibition was attended by representatives of all the grain producing countries of the world, including Germany. The representative in attendance from Germany had visited all parts of Canada before coming to Regina, and after he had been in that city for a day or two he was asked to give a summary of his impressions of what he had seen and of his experiences. He readily consented, and said that it could be given in two words—"waste" and "space." That description has constantly come to the minds of many Canadians and suggests the thought as to whether or not at this critical time we are making a maximum use of our resources, both natural and man-power.

Recently, owing to the courtesy and consideration of the hon. member for Verdun (Mr. Coté), I had the privilege of visiting a couple of munitions plants in the city of Montreal, and were this an earlier stage of the debate I would have been glad to portray what I saw in those two plants. But since being there, I have seen the edition of *Maclean's* of May 15, and I want to congratulate the publishers of that magazine upon that particular issue. It contains a description of certain parts of Canada's war effort. It describes it graphically and dramatically and gives to the Minister of Munitions and Supply a great deal of credit for what has been accomplished in a very short time. After reading the account of Canada's development in the last two and a half years, and after having seen what I have seen, one can readily understand how it is and why it is that the universities of this country are conferring degrees upon the hon. gentleman in recognition of his accomplishments for Canada and the empire, and I personally congratulate the minister upon being honoured by one of the most eminent of Canadian universities.

Arising out of my visit to Montreal I should like to bring to the attention of the minister and of the committee three or four matters. First, the plant utilized by Defence Industries Limited at Verdun was in use in the last war. I believe it was built by the British government, and following the last war it was used, prior to eighteen months or two years ago, by the Dominion Textile company as their manufacturing plant. What I draw from that is that plants constructed during this war may have and should have a post-war use, and this plant did have a post-war use and was readily converted to the needs of the nation when the occasion arose.

The next point is that of the four men I first met on entering the plant three were from my own city of Regina and the fourth was from Estevan, Saskatchewan, which is an indication of the migration from the prairie provinces to eastern Canada and of the part our people from the prairies are taking in industry.

Apart from the tremendous production in that plant, I think what interested me most was that part of the plant devoted to the manufacture of machine tools, and I was informed that they were manufacturing right in the plant, in the building itself, all the machine tools they required.

The next matter that interested me was a delicately constructed balance which weighed the cartridges after they had been inspected, automatically eliminating those that were underweight, or overweight, and sending down another chute those that were of the proper weight. That machine was constructed by the Bata Shoe company, an institution which has come into this country within the last four or five years, and is an indication of what Canada has drawn from troubled Europe in the way of industrial development and of what can be developed in the future.

On this occasion I had the privilege of hearing the Hon. Charles A. Dunning, who is the chairman of the board of Wartime Industries. Hon. gentlemen will be glad to know that the Hon. Mr. Dunning is gradually recovering a measure of good health, and he had not been speaking very long before he exhibited much of that old-time vigour which we knew so well on the floor of this house. Mr. Dunning was responsible for this statement, and I do not think in repeating it here I am breaking any of his confidences or imposing on the restrictions laid down by the minister himself with regard to quantitative production. Mr. Dunning stated that the plants of Defence Industries were now pro-

ducing more ammunition every month than was produced by the whole of Canada in the last war, and I understand that at the conclusion of the last war Canada was producing approximately 55 per cent of all the ammunition used by the allies.

While I do not intend to elaborate on what I saw at the two Montreal plants, I do wish to make a more detailed reference to a plant in Regina, my home city. That plant up to the 15th of August last was operating an assembly line for General Motors and employing between five and six hundred men. During each one of its productive years it turned out approximately 10,000 motor units. About the 15th of August, they started clearing out the assembly line and to acquire and install new machinery. Much of that machinery had been installed by the first of the year and production started. The plant is not fully equipped yet. When it is, it will employ approximately 1,000 men, and at the present time there are between six and seven hundred men engaged there. The plant is manufacturing the most modern anti-tank gun that mechanical science has yet produced, and those guns are being turned out every day in the Regina plant and have been turned out for a considerable time. I saw those guns boxed and labelled ready for shipment to a far distant point.

I have always felt—and I am glad to have some confirmation of my ideas in that regard—that it is wiser and safer, and costs less in the long run, for industry to be taken to labour rather than for labour to be removed to industry. Recently there was a conference of national war labour leaders in the city of Ottawa, and on his return to Saskatchewan, Hon. R. J. M. Parker, minister in charge of municipal affairs, said this, in summary of what occurred at the meeting:

> Mr. Humphrey Mitchell, federal Minister of Labour, also dealt with labour conditions in the dominion and suggested that the proper policy to follow with respect to the employment of people was to take the work to the people rather than to transfer large numbers to the work. Such a policy might have averted the exodus of people from Saskatchewan in recent years, had industry been established here.

That seems to me to be a very wise policy, and one that will avoid many of the difficulties which undoubtedly will arise in the post-war period.

When General McNaughton was here I had a short conversation with him during which he outlined his experiences in going through one of the large industrial plants in eastern Canada. In going through plants he engaged the foremen in conversation and ascertained what their duties were and where they came from. Himself a Saskatchewan man, he was proud of the fact that eight out of twelve foremen with whom he conversed in one plant came from that province. That emphasizes the migration of skilled labour from our province to eastern Canada. It is established by the fact that since 1936 Saskatchewan has lost 42,000 people, to say nothing of the natural increase which has not been tabulated during that period.

Mr. Little has ordered a new registration of unemployed. Every unemployed man between sixteen and sixty-nine years of age is required to register. I have no quarrel with that order; I think it is as it should be. But when the unemployed are registered in Saskatchewan, what is Mr. Little's intention? Is it his intention to move those unemployed persons to industries in the eastern provinces, or will he recognize as a principle that which his minister enunciated, namely that it is better to take industry to labour rather than the reverse?

Recently the teachers of my own city sent me a communication which to a certain extent applies to the teachers of the rest of the province. They are anxious to know where they can obtain employment for the two months of their holidays, because they wish to devote their leisure time to the war effort. It seems to me that in view of these facts—I am not censuring the Minister of Munitions and Supply, for I know it is his duty and responsibility to get production, and get it in the shortest period possible—there might be greater collaboration by the Minister of National War Services and the Minister of Labour in setting up war industries which will impose a minimum of trouble in post-war years.

The other evening I referred to the coal deposits in Saskatchewan and expressed the opinion that they should be converted to national use at this time. That thought was emphasized by a recent visit of Mr. Jeckell to western Canada. While there, he consulted authorities in Manitoba concerning the development of 100,000 horse-power of electrical energy, and indicated an intention, should it be found, of building a $40,000,000 aluminum plant. The authorities in Manitoba could not provide the necessary power, and his investigations proceeded no further. I suggest that consideration should have been given to the development of power at the lignite coal fields in Saskatchewan. It may be said that that is a far too ambitious undertaking for an agrarian province, but the manufacture of aluminum depends on bauxite brought from British Guiana, on cryolite brought from Greenland, and on coke brought

from Mexico; and if Mr. Jeckell was willing to take all these commodities brought from such great distances right up to the city of Winnipeg, they could have been carried another 300 or 350 miles to the lignite fields of Saskatchewan, where a head of power can be developed sufficient to produce the required aluminum.

It seems to me that those who are interested in locating large industrial undertakings for these and other departments are equipped with hundred-league boots, and when they come into western Canada just one stride takes them over the province of Saskatchewan. It seems to me, too, that somebody has whispered that Saskatchewan can only produce wheat. That is not so. In military matters, somebody has said that our province is the coldest in the dominion, but that is not so. Somebody else has whispered that it is the centre of the dust bowl, but that is not so.

Much has been said at different times with reference to the bits-and-pieces policy. The trouble in that regard is not peculiar to the Dominion of Canada but obtains also in the United States. I noticed in the issue of *PM* for April 13 last that that magazine had financed a delegation of idle owners of machine shops and workers to Washington for the purpose of making representations to the authorities there. The reason that *PM* gave for undertaking that responsibility was this statement:

> Every idle machine, every idle worker, is a national scandal at this date in American history; and to ask this question—Why 85 per cent of the hundred billion dollar war contracts were awarded to only 350 corporations while the rest were spread thin over 186,000 small manufacturers. And later received the answer quite frankly—that limited inspection and clerical facilities made it easier for the government to dump the orders into the hoppers of General Motors, Remington Arms, Bethlehem Steel and General Electric.

Pretty much the same situation has developed in this country, and we find the large corporations being given major orders and then developing their own institutions to the point where they can take care of much that is required in the way of component parts. I find similar complaints voiced by the mayor of the city of London who, on returning to his home city after visiting Ottawa, said:

> "It was difficult to find out exactly how industry should go about getting contracts directly from the Department of Munitions and Supply," he said. "By persistence it developed that practically all the large prime contractors had been selected already and that only these were being asked to tender on new jobs. Therefore he advised London industrialists to appeal directly to other manufacturers with prime contracts for war work."

[Mr. McNiven.]

We have a prime contract at the city of Regina, and the management of that plant for the time being must, because of conditions which it is not necessary to discuss, obtain their manufactured component parts from certain eastern connections. It is equally true that the management has been instructed by the Department of Munitions and Supply to obtain its manufactured component parts in western Canada, but in the search for these manufactured component parts they have spread their requirements from Winnipeg clear through to Vancouver. They have not attempted to centralize it in Saskatchewan but have distributed it pretty fairly over the three prairie provinces and to some extent in British Columbia. As far as our machine shops in Saskatchewan are concerned; as far as our other producers are concerned, all we ask is reciprocity, similar consideration. There is an office of the minister's department in the city of Winnipeg, and manufacturers have gone there seeking places where component parts could be manufactured; but because of the freight regulations in effect, because of freight tariffs that have burdened the development of western Canada for many years, they refuse to go further than Winnipeg. The Eastern Car company is an example. They refused to consider employment of any subcontractor for the manufacture of component parts west of Winnipeg, and the only reason given is freight rates. The Ogden shops at Calgary have substantial orders, but these shops, although they were instructed so to do, to my knowledge, have to a very limited extent distributed the manufacture of component parts. Western Steel Products, another company that has been favoured with large war contracts, has not utilized its own facilities either in Regina or in Saskatoon for the manufacture of component parts or anything else. My only thought is that the minister's Winnipeg office should be clothed with some authority in the distribution of war orders and in the spreading out of contracts for the manufacture of component parts.

The question has been asked, what is going to happen after the war is over? The minister said a moment ago that he had no clear-cut opinions in that regard, but in *Maclean's* magazine, in a biographical sketch, the minister is quoted as follows:

> After the war? Mr. Howe isn't worried about overproduction or excess plant. We are penning back a tremendous demand for things—houses, office buildings, apartment blocks, motor cars, goods of all kinds. It will not be difficult to adapt war plants to civilian needs. Invention will find new products to raise the standard of living and put people to work. There will be Europe to rebuild, and China and India will

be great markets. There is no reason for anybody to be discouraged about post-war problems.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. McNIVEN: Mr. Chairman, I had almost completed what I wished to say. In conclusion, I would point out to the minister that in Saskatchewan ours is a badly balanced economy, and that we are now reaping the harvest of that economy. We have regarded ourselves as an agricultural province and have tried to do that which we were best equipped to do, leaving the industrial production to other parts of Canada. A distribution system has been established in my province, but daily the components parts of that system are receiving notice from the eastern manufacturers that no longer will it be possible for them to deliver goods, that the goods produced in their plants are required in the immediate district in which they are produced. In other words, the central provinces are looking after their own customers. We have relied upon the eastern manufacturer, but he has not made an equitable distribution of the goods he has been able to produce in these strenuous times. He is depriving his western customer of those goods in order to supply local demands.

That is one reason why we are alarmed at the continued industrial expansion of eastern Canada. In the east we are building up an industrial Frankenstein which, immediately the war is over, will absorb our markets and keep us in the position we have occupied thus far, namely, hewers of wood and drawers of water for those who live in the more favoured parts of this country. We think that because of our contributions of men to the army, the navy and the air force, western Canada deserves a better deal by way of industrial expansion. We think it deserves greater consideration by the Department of National Defence in the matter of camps for the training of men. I was greatly interested in a question placed on the order paper by the hon. member for Lethbridge (Mr. Blackmore), a question which I was afraid to ask. The hon. member wants to know the number of men who were recruited in Saskatchewan and the number of men who were trained in that province. I know that when that question is answered he will be told of the 500 men from Saskatchewan who have been sent to Lansdowne park, Ottawa, this year; of the 250 men who have been sent to Windsor; of the group sent to Three Rivers; of another group sent to Sherbrooke; of another group from Dundurn camp sent out to Chilliwack, British Columbia; of the 450 men sent to Sarcee camp, notwithstanding the fact that we have a modern, well-equipped, up-to-date training camp at Dundurn, Saskatchewan, which the Minister of National Defence has described as a "natural". At the present time we have fewer than two thousand men at that camp, and there have not been more than that there at any time.

I need not detain the committee any longer, Mr. Chairman, but I do ask for a better and fairer deal for the prairie provinces and in particular for the province of Saskatchewan, a deal that will enable us to assist in the solution of post-war problems.

Mrs. NIELSEN: Mr. Chairman, during the time this matter has been under discussion I have had a number of questions to ask, but either the minister has given the information himself, or other hon. members have asked the questions I had in mind, and I have avoided any repetition because I believe the valuable time of the minister should be used as effectively as possible. But under this bill we are spending tremendous sums of money, and my only reason for taking part in this debate is to say a word on behalf of the people whom I represent and who are helping to provide this money. The only thing we wish is to get full value for the money spent, and to be sure that in the spending of this money the munitions of war are made as quickly as possible, and in the largest possible quantities. The Department of Munitions and Supply and the Department of Labour are very closely connected, and in the spending of this money I want to impress upon the minister one matter which perhaps has not as yet been stressed sufficiently in this house; that is, that in the placing of contracts and the obtaining of supplies, it is not only a question of getting raw materials, having the machinery and the factories, and all the rest of it. There is also the human element, which plays such a tremendous part in production.

The question of morale has been mentioned in connection with the aircraft industry. I noticed that this afternoon the minister said he was satisfied that morale had reached a healthy stage; I believe those were his words. Personally I am continually surprised that morale is as good as it is among the working people of this country, considering the conditions under which many of them have to work. I really was surprised when I heard the minister say that he thought morale in the aircraft factories had reached a healthy stage. I wondered whether it was Mr. Bell who had given him that impression, because my infor-

mation, coming from the men who work in the aircraft factories, is to the effect that Mr. Bell is not doing a great deal to increase morale, that in fact, in their opinion, he has done something calculated to destroy it. Only the other day I received a letter from the international association of machinists, Montreal aircraft lodge No. 712, in which they discuss the question of morale among the workers. They say they think it is very timely that Mr. Bell has given attention to the problem of morale building, but they feel he has chosen a most unfortunate way of going about it. They say:

We are convinced that morale can never be built by the superficial method of having someone who is a virtual stranger to the workers in the industry touring the country and setting up citizens' committees. We know that morale can only be built among workers themselves under the leadership of their own chosen representatives. This was clearly demonstrated in Great Britain and the United States.

This particular lodge, No. 712, say that they can be very justly proud of the work they have done, together with the management and Mr. Bell, in raising the morale in the Montreal plants. They go on to cite many instances of the type of activity to which they have contributed. Then they say this:

We wish to emphasize that for appeals of this kind to win the greatest response from the workers they must come from the ranks of the workers themselves, from their own chosen leaders in whom they place their confidence and trust.

I suggest that the minister might see to the proposals of the workers themselves, as well as to those of men like Mr. Bell, because from the men who day by day work in the factories a considerable influence may be brought to bear to increase production. They say:

Our proposals would be that an authoritative representative of labour, preferably a member of the international association of machinists, be appointed by the government to assist Mr. Bell.

We would propose further that an apparatus similar to the war production board in the United States be set up in Canada, and that the establishment of joint production committees be encouraged in every war plant in the country.

While we are discussing the question of morale we must point out that the speech which Mr. Bell recently made to the war labour organization production conference here on May 7, which was published in the press, has had a very bad effect on the morale of all war workers in this area.

We have refrained from replying to some of the allegations made in Mr. Bell's speech which are most bitterly resented by workers, because of our unwillingness to do anything which would endanger the spirit of national unity which we have striven to create. But we feel it is in order to point out here that speeches and

[Mrs. Nielsen.]

statements of this kind must inevitably have the effect of breaking down whatever good might develop out of Mr. Bell's desire to conduct a "morale-building" campaign.

In the speech to which they refer, Mr. Bell is reported to have said that the workers in industry were "in the front line—like hell." In my opinion a statement of that kind was an insult to the workers of this country, and certainly it would not be one which would help to build up their morale.

I know, myself, that morale is an intangible thing. Yet it is built up upon certain concrete and physical things. But no man going around to industry and giving pep talks to the men is going to increase morale. However, unless we do have an increase in morale in this country we are never going to have the total war effort which we are supposed to be having, and which we have pledged to the other countries fighting in this war—the allies.

We must have a total war effort. We cannot have it without better morale than we have at the present time. What does morale depend upon? I am not just speaking of aircraft factories; I am speaking of factories in general. It seems to me that morale is built up on certain things. The main factor would, in my opinion, be this: the physical and mental health of the working people, an understanding of what they are fighting for, and an assurance by the government that in this war effort it is a case of one for all and all for one, that one being Canada.

I remember at this time last year during the debate on the war appropriation bill I placed on record some figures with regard to loss of time in the United States due to strikes, sickness and industrial accidents. Figures of that kind are rather difficult to get in Canada. In fact I have not been able to get anything very recent from the dominion bureau of statistics. But I did notice a while ago a report issued by the Canadian institute of public opinion, and a release by the Gallup poll. I know a Gallup poll is a Gallup poll, and that it is not anything like as authentic or as true as a statement from the dominion bureau of statistics. On the other hand it paints a fairly accurate picture in a very general way of conditions as they are.

The report of the Gallup poll published in the Toronto *Daily Star* states:

It has been estimated that there are some four million Canadian workers to-day, including farmers. Assuming a 48-hour week, and a 4-week month indications are that among employed people alone, 26,000,000 man-hours were lost through sickness in February, or

three and a quarter million man-days. A man-day, of course, represents the amount of work done by one man in one day.

To put the same thing in another way, this means that every Canadian worker on the average, lost six and a half hours, or four-fifths of an entire working day, because of illness of some kind.

Here again I should like to be fair and say that in February sickness is possibly at its highest level, because there is more illness in winter, mostly by way of colds. The report of the Gallup poll goes on to say:

In terms of production, this amount of lost time equals approximately 370 medium bombers, or 70 corvettes, or 377 cruiser tanks.

I know these are very general figures; they are not specific. But they do show what a saboteur of our total war effort sickness can be. When we consider the money we are spending to buy raw materials and the money we are putting into contracts, and then realize that at the same time we are permitting sickness, the thief of time, to destroy our total effort, it seems such an idiotic thing that we have not done something to combat it, to get more for our money, more for our people, and speed up production by keeping the people in a state of physical health whereby they may contribute as they want to do.

I can quite agree that sickness is one of the arch saboteurs of Canada's war effort. As long as we have sickness going on as it is to-day, without something more being done to ensure health to our working people, a great deal of the money being spent on war appropriations is not going to be used as expeditiously as it should be. Nor is it going to give us the value it should, because at the present time the whole value in munitions of war is to get the war won quickly, and not to continue it unduly into the future.

I got some further figures from the bureau of statistics which I felt were worthy of consideration. They have to do with the keeping up of the morale of our workers. These figures represent one further thing which seems to indicate that the remark of Mr. Ralph Bell was entirely out of order, when he said that the working people in industry were "in the front line—like hell". Mr. Chairman, I hope you will excuse my language, but you will remember that I am quoting Mr. Bell.

The increase in industrial accidents in Canada is quite alarming, as shown from these figures from the bureau of statistics. The following table will give a comparison between 1939 and 1941:

Province	No. of accidents, 1939	No. of accidents, 1941
Nova Scotia	11,823	15,150
New Brunswick	8,126	12,292
Quebec	53,942	82,568
Ontario	53,110	104,655
Manitoba	9,401	12,927
Saskatchewan	5,260	5,825
Alberta	11,832	14,903
British Columbia	27,776	46,496

The very small increase in Saskatchewan is due to the fact, of course, that there is no industrial activity in that province. I say again that in the matter of health and industrial accidents insufficient provision is made to ensure that the health of the workers in the factories is safeguarded. I was speaking to friends in Toronto a while ago who were greatly alarmed at the number of accidents which had occurred to women in industry, small things such as the loss of a finger from standing too close to a wheel or a lathe and other accidents of that kind. Hundreds of thousands of industrial accidents could be prevented.

I know, of course, that on March 2, 1942, order in council P.C. 1550 was passed. To tell the truth, I did not know anything about this order in council until I saw it mentioned in the Toronto *Star*. I do not know whether hon. members are able to keep pace with these orders in council, but I confess that I cannot. In my opinion it certainly would have been a good thing if this matter had been discussed before the order in council was passed. As far as orders in council go, if they can be considered as being good, this is one of the best. It makes provision for the supervision of factories and provides regulations with regard to sanitary conditions and so on. Food served inside a factory must be up to certain standards. A few doctors and welfare workers are now taking greater interest under this order in council in the working conditions of the people. All that is to the good.

However, I do not believe for one moment that sufficient attention is being paid to the care of our working people. It is by such things that morale can be built up. In the same article which appeared in the Toronto *Star* on April 13, 1942, mention was made of this Gallup poll. It says:

Doctor J. J. Heagerty, chief of the dominion public health service, has written that tuberculosis rates are beginning to rise in Canada. The reason for it, he says, are the longer hours, the intense strain, the inadequate diets and the low standard of living still prevalent among many workers.

The basic question affecting the health of our people is not the sanitary arrangements in the factories in which they work; it is the amount of wages they need to give them necessary food which is a primary consideration in building up the health of a people. We should realize the amount of time lost in this country through strikes and other causes. Because of strikes in 1941 there were 23,997 days lost. In a whole year only 23,997 days were lost because of strikes, but according to the Gallup poll, in the month of February alone 3,125,000 man days were lost from sickness. Some people think that our industrial workers have sabotaged the war effort with strikes; but when we come to analyse the reason for strikes, we find that it is, first, wage disputes and, second, the question of collective bargaining. In most instances the attempt to obtain collective bargaining by the workers is made so that they may be in a position to bargain for better wages rather than go on strike. If more money were expended to build up the health and morale of our people, we would not be losing 3,215,000 man days in a month like February.

In my opinion the Minister of Munitions and Supply has more to do than just to consider where various contracts should be placed. As a minister of this government it is part of his responsibility to see that the workers in our factories are given an opportunity to make their maximum contribution. It is part of his responsibility to use properly the money which he is expending through these contracts in order to get the most value and to produce things more speedily. I believe the minister has said already that the contracts have always been turned out in time, that all that Great Britain and Russia have been asking for has been supplied by the factories. But if we had not lost time through sickness and industrial accidents, these contracts could have been filled much sooner than they were and we could have gone on with other contracts. Our war effort could have been speeded up just that much more.

Perhaps the Minister of Munitions and Supply considers that these things are outside his department, but in my opinion he shares responsibility with the Minister of Labour and with others of the government to see that we do not lose time through strikes, sickness and other causes. Because of that I would urge upon him that if he wants to build up the morale of the people of this country, he should not listen to men like Mr. Bell. Rather he should listen to the legitimate demands of the workers in the industrial plants who are working and have been working for a long time in order to obtain the right guaranteed by this house of parliament, the right of collective bargaining. If it were mandatory to give that right to the workers in industry, I dare to say that we could speed up the war effort considerably and provide more munitions and other things in which the minister is interested.

The second requisite for building up morale is to look after the mental health of our people. The industrial workers want to know why they are asked to speed up, why they are asked to accept certain hours of labour and so on. Not only that, they want to be assured that in this war it is a case of one for all and all for one. I dare to say that at the present time the industrial workers are not satisfied that in this war it is a case of one for all and all for one. Ninety-nine per cent of the people of Canada are willing to sacrifice and are already sacrificing for the sake of this war. They are not afraid to go on sacrificing, to sacrifice even more than they are at the present time. But the 99 per cent of the people who are sacrificing are not satisfied in their minds that the other one per cent of the Canadian people are doing their share of sacrificing. In fact, in the minds of many people there is a great deal of apprehension that the one per cent, those who control industry in this country, are more concerned at the present time about what is going to happen to them after the war than they are with putting everything they have into the winning of this war and making the sacrifices which are demanded of them.

That is the thing which is causing an unhealthy mental condition among thousands and thousands of Canadian people. Do any of us know where we shall be after the war is over? Thousands and thousands will be underneath the sod with nothing but a little cross over them, if they are lucky enough to get that. Many will be blown to smithereens long before there is a chance of picking them up and putting them together in order to put them underneath the ground. After the war is over, many will be in the relief lines again. No; this one per cent, those who are to-day in charge of the industry of this country, must realize that they will be very lucky if they come through this war. They will be very lucky if we win this war. They must realize that if through their own selfishness, if because they refuse to go ahead maybe and increase their production, because they are afraid that after the war they will not be able to make their profits, if they refuse to make the sacrifices, if by any chance we lose the war they will find out that German big busi-

ness will kill them just as effectively as German bombs can kill women and children in the cities of Europe.

Let us consider the long history of the war against Hitler. I do not like to be too severe in my criticism, but through the long years of the war against Hitler the record of this present government has been a rotten one. It has been a record of appeasement, and the government know it. The individual members of this government have all along taken a position of isolationism and appeasement to Hitler. The people of this country want to see from this government no more appeasement. I think they are pretty well satisfied that the government do not now want to appease Hitler, but what they are afraid of is that the government are appeasing the one per cent. As long as they have that feeling in their minds it is going to be difficult to build morale and get a total war effort.

As far as the workers of Canada are concerned, I know they are out to win the war. They are going to win the war; they are going to defeat Hitler. But the thing I would like this government to consider is this. Are the people going to win this war with this government—or in spite of it? They are going to win it; of that they are sure, and I am sure; and if they do not come to feel that they can win it in cooperation with the government, it may be necessary that they change some of those who to-day are conducting our war effort. It will be necessary to find men who are not willing to appease, but rather men who are willing to listen to the voice of the working people and to build national unity and build morale so that we can attain to a total war effort.

Labour itself has said that it wants to be treated as a responsible group. Only the other day I received a copy of a speech which was made by Elliot M. Little, Director of National Selective Service, on May 9, when he spoke before the Canadian Weekly Newspapers Association, and I would commend heartily the sentiments he expressed in that speech. If we had more of that attitude expressed not only by men like Mr. Little but by our leading industrialists, we would have a far better tone of morale in this country. I should like to quote briefly what Mr. Little said:

> Do not mistake what I am talking about. By better employer-employee relations I do not mean a concession to the workers here, a privilege there, such as a cup of tea at four o'clock. Those things have their place. I am talking about the whole broad field of personnel management which boils down to mean the best possible personal relations between management and the employees. The workers I meet and have worked with do not want employers to hold their hand. They simply asked to be treated as you want to be treated—as an adult and a responsible citizen.
>
> Considering the times and the circumstances, considering what is being asked of our workers to-day, I think it is high time factory managers and employers recognized this and, having recognized it, do something about it.
>
> Men do better work if they feel they are working with you and not merely for you. I know what amazing benefits will flow from away down the line, if men are encouraged to take an interest in their jobs and in the operation of the plant. I will go this far: I feel certain that if the masses of our workers were permitted that interest in their plant, and allowed a reasonable voice in the affairs of their plant, many of the problems now hampering our production efforts would disappear.

Labour itself has expressed its opinion and has said in relation to the filling of contracts that if only it could share with the management the right to suggest improvements, it is positive that it could speed up the work which has to be done.

I noticed in *PM* magazine of April 13 an article which deals specifically with this very question in the United States, and I see no reason why there should be a difference between the United States and Canada. The article says:

> Colt's Patent Fire-arms Manufacturing Company, situated in an open-shop stronghold, is one of the first companies in New England to form a labour-management production cimmittee.

It also says that immediately after this committee was set up, the management wanted to see what help they could get from it, and so they asked the union to investigate why, during the early days of the contract, spoiled machine-gun barrels in one plant were running to 17 per cent. With company encouragement union shop stewards investigated. The article goes on to say:

> This ordinarily would be a "management" problem.

But because the company had the cooperation of the union this is what happened:

> Union shop stewards investigated. The stewards found the faults: defective steel, improper inspection, and the fact that some operators were wandering away from their automatic borers.

The union representatives reported their discoveries to the management and spoke quietly to the errant operators, with the result that spoilage was reduced to eight-tenths of 1 per cent. That was quite a reduction from 17 per cent.

There was one other case where the company had been absolutely unable to discover the cause of a certain stoppage of work, but as soon as this labour-management committee

was set up, the union was responsible for finding and putting its finger on the hitch and was able to speed up production.

When one realizes the difference these things make, how can any one of us be willing to authorize the spending of vast sums of money for giving certain contracts unless we see that these other things are also done which are so necessary to make that money really go the farthest in producing the most in the quickest possible time?

I want to leave this idea with the minister. I feel that if only he would consider more the suggestions which labour itself is puttting forward and take labour into his confidence as much as he takes Mr. Bell and others like him into his confidence, he would find that the money spent by his department would bring back greater returns to him more quickly.

A while ago in the city of Montreal delegates met representing 75,000 workers organized in unions affiliated with the Trades and Labour Congress of Canada, and they themselves drew up what they considered to be a programme which would assist in the speeding up of industrial production. It seems such a pity that many people in this country are allowed to think that labour is demanding things that are absurd and altogether out of proportion at the very time when, as can be seen by this conference of 75,000 workers, labour was drawing up most reasonable suggestions. Hon. members will see how conservative they are. Certainly they are not what I would call at all out of proportion with what the demands of industry might be. Here is what these union delegates offer in their production programme. They ask first of all for a labour partnership because, as has happened in the United States, it may be responsible for finding the causes of delay in production. Then they say that the question of wages and hours must be considered because of its relationship to the building up and maintaining of health standards. Actually they said this:

> Wages and hours: Workers earning less than $25 a week or 50 cents an hour to be enabled to negotiate with employers for increases to these levels.

There comes in collective bargaining. Were we to assure the worker the privilege and the right to sit in and negotiate, we would not find these strikes occurring day after day because there would be no necessity for them. The men do not want to strike; they never wanted to strike. They will strike only of necessity for the sake of health and their families. The strike is the last extremity to which they will resort when industry has refused to listen to them in any other way. Strikes have been few in proportion to the time lost through sickness, and even these strikes would be absolutely obviated were the government to guarantee the workers this right.

They suggest with regard to post-war reconstruction:

> The inclusion of labour on all government commissions studying post-war reconstruction, and also at the peace conference after victory is won.

They also said with respect to war finance that there should be a limitation of individual incomes to $20,000 a year. That does not seem to be an exorbitant suggestion. Anybody who receives $20,000 a year should be able to manage; I do not think they would starve on that sum. I feel convinced that taking these suggestions of labour as the sensible arguments brought forward by people who are anxious and willing to make their contribution to the war effort, they are worthy of more consideration than the government has given them up to the present time.

We do not want to have any one group in Canada running the war. We want the people in this country to feel that all are making their contribution and that all are sacrificing. If you once can obtain that feeling among the Canadian people, you will have got 100 per cent total war effort—you will have got your morale. I bring these suggestions to the minister because I really do believe they are worth considering.

Mr. JACKMAN: Mr. Chairman, the minister has been good enough to give this committee some account of the war production of this country at the present time. He has told us something of the number of machine guns, tanks, automatic rifles, automotive equipment and many other individual items, that are being manufactured. I find myself, however, in the position of a builder who has a lot of materials but no general blueprint to which to work. I know that the minister will know and appreciate just what that feeling is, for without a plan it is difficult to know what to do with the materials which we may collect. All hon. members understand that, when a modern sky-scraper goes up—and after all we must liken the war effort to that—the steel framework goes up first, and the bricks and all the parts are merely fillers-in to finish the completed building. I do not think the minister, despite the pains he has taken at times to give us information, has yet given us the general framework of our industrial contribution to this war. I would ask him, there-

fore, what is the blueprint, what is the general plan? What are we aiming to accomplish from an industrial point of view? It is hardly enough to say that we are busy. We cannot proceed helter-skelter. We must proceed according to plan if things are to go along smoothly and we are to avoid bottlenecks and achieve the maximum production of which we are capable.

Let us take, for example, the steel supply in this country. What do hon. members know about the considerations which entered the minds of the government when steel was first considered in the early days of the war, or even after the fall of France, or even at the present time? How much has this country expanded its iron and steel production so that we shall have enough of that basic commodity out of which nearly all armaments are made?

May I ask the minister, for instance, what were the considerations which his department entertained when the Ojibway plant was considered, as I assume it must have been considered at some time? If I am correctly informed, some two years ago it was understood that this plant, which had never been brought into production as a steel producing unit, although parts of it had been brought into production as a fabricator of steel products, would have required no less than two years and possibly twenty-five million dollars to bring it in as a great steel producer. What were the expectations in the mind of the government at that time, that they did not go ahead with the production of steel at the Ojibway plant, entailing, as I have said, two years of time and possibly twenty-five million dollars? When did the minister and the government expect the peak of industrial war production would occur in this country? Would it be in 1941, let us say the fall of that year, or in 1942, or in 1943?

These are major problems which hon. members should consider, and they should be given information, to some extent at least, in so far as the government can do so without giving away secrets which would be valuable to the enemy, so that we may know what we are aiming to accomplish, what we can reasonably expect to do; and we, not a few closeted together, should have something to say and should be able to make some contribution to the decisions which are made.

May I ask him also whether or not I am correctly informed that the Canadian Car and Foundry company had a steel-producing plant at Welland, Ontario, a plant which made a fairly notable contribution during the last war to war production, and yet has only recently been dismantled, during this war, not having turned a wheel?

I saw in the Montreal *Gazette* not long ago a dispatch from the New York *Times* of February 16, stating that Japan's scrap steel supply was ten million tons, all from the United States, and that it was held that this would be enough to last for three years. With Japan four thousand and more miles away from this continent, why was it that we in Canada did not make available to ourselves some of the scrap which went to that country? It is a fact that we are not producers of iron ore in any quantity ourselves. The situation is somewhat different from the production and export of some of our own minerals, because we have them in the bowels of the earth to-day and can get them out for our own production, perhaps not so fast as we should like; nevertheless we have them. But we have not a commodity like scrap, and at the present time we cannot get it in sufficient quantity to achieve the maximum production which I am sure the minister himself would like to see.

In fact the hon. member for Broadview (Mr. Church) last night stated that some of the scrap which Japan got came from Canada, and I noticed that his statement was not challenged. Were we afraid at that time, as a country, to borrow from the United States in order to accumulate this very necessary supply of scrap for armament purposes in this country? We all knew that we were faced with the possibility of war, and that we must import iron ore and scrap if we were to engage in a major struggle. It is true that we have some of these materials ourselves, but not nearly enough to carry on a major conflict. Or was it that Canada was unwilling to put restrictions on the consumption of goods imported from the United States so that we could accumulate sufficient United States dollars with which to purchase scrap and store it in this country?

Only last summer a delegation from Toronto waited upon the steel controller in order to obtain a priority for the construction of a sewage disposal plant in that city. The director, who was then new to his office, explained to us that he believed that our cause was a very necessary one, and that, inasmuch as we would need the steel, not immediately but in a few months—the first requirement would then be needed and it would extend perhaps over two years—it would not be unlikely that we could get the steel. However, he had been in his office only a few weeks, and, shall I say, had not become politically conscious, as every civil servant must be to some extent, and he said, "So far we have no balance sheet." That is, after two years of war the Minister of Munitions and Supply did not have—if I take this state-

ment at its full worth, and I see no reason why I should not—a balance sheet of the steel production and the steel requirements of this country. He did not know in what form he could get iron and steel, what shapes were available, what the needs of essential civilian industry would be, and what would be available for war industry.

If I am mistaken in the presentation of this picture I know the minister will correct me. But I also took some steps to check the impression which I gained, and I found, from what I could learn, it was by no means an incorrect one. Is it any wonder then, Mr. Chairman, we find that there is an announcement on the part of the government that two destroyers will be built, and then, that this programme is to be cancelled because the steel is not available in this country and cannot be purchased in the United States?

These are things which parliament and the people of Canada want to know.

There are many small, vexatious and perhaps inconsequential things, like delays when there is a change-over from production of one model to another. But it is the vast general plan, respecting steel, aluminum and other essential products which are what one might call primary products and which go into the making of the finished article, with which we are deeply concerned.

There have been times when the shipyards have been closed down temporarily because of shortage of steel in particular forms. Why is it that, when we have steel in great quantities available for some things, we do not have it available for other things? Of course, the answer is that certain implements of war have priority. But the questions which this committee should be informed about, so that they may have a reasonable opinion on them, are questions like these.

There is a plant not very far from where I live which is turning out millions of large shells every year—a tremendous and extremely creditable output. The amount of steel which is consumed in the production of these shells must be staggering. Yet we find there is a shortage of steel for certain other commodities. Would the minister explain to the committee, if it is not a military secret, just what is being done with these shells? Is too much steel going into that production as against certain other essential war materials which require steel? We should have some understanding as to why so many shells continue to be turned out even though this has not yet developed into what we would call a shooting war.

Again, we are now to produce aero engines. That subject came up in the house a year or eighteen months ago and it was held that it was not worth while, that it was not economically feasible to use certain of our productive capacity and our mechanics for the making of aircraft engines. Yet we find that only within the last few months, within recent times at any rate, we have begun a programme of building a fairly simple aero engine. Surely mechanics are scarcer to-day than they were when the subject was first mooted in this house.

I should like the minister to say a word or two about his experience with industrial councils. They are now coming to the fore more and more, and I notice that his director-general of aircraft production stated that he had found them very useful. It may be that the workers in industry have something to contribute in the way of ideas to management. We hear a great deal about this nowadays, and I feel that the minister must have had many reports sent him as to what can be accomplished in the way of workers sharing by contributing their ideas to more effective management. One cannot help feeling, on the other hand, that the problems of management are very grave. Managers are for the most part qualified men who have had experience; nevertheless, most of the managers in this country and in the United States are, like Mr. Knudsen, men who have themselves come up from the ranks of industry, and it is the same type of brains they have that exists in the ranks, only perhaps in a lesser degree.

I have been informed also that there are certain difficulties in some of the departments —and I do not think the Department of Munitions and Supply is any exception in this regard—in finding capable men to carry out the war effort. It is difficult to get men through the civil service because of the regulations and the fixed salaries there. Perhaps the minister would outline the situation to us. There are civil servants who have been given very much greater responsibilities because of war work, and I am told that there are civil servants to-day who are getting $1,500 to $2,000 though they have assistants from outside business who are second or third in command, and who receive substantially more than themselves. Surely the rules of the civil service are not so rigid, so impossible to rectify, that recognition cannot be given the splendid work which some civil servants are doing and the responsibilities which they now bear, responsibilities which are out of proportion to those which they had prior to the war.

Before leaving the subject to which I referred this afternoon, namely the Hirst matter, I do not want the minister to feel that those of us on this side of the house do not recognize

what a serious principle is involved in what I may term dereliction on the part of the director-general of aircraft production. We know that he is a splendid man in many ways. We understand that he is doing a good job, and there is no desire to hamper in any way the maximum production of aircraft. But I am constrained to point out to the minister that if he allows directors of production, or directors anywhere throughout the government service, to commit these faults, very serious faults, such as the one in question, and says that we cannot do anything about it; that we have two alternatives—either to dismiss the man or to retain him; if we adhere to the policy which I hope is the right one in this case, namely, that of retaining the man; nevertheless, we are putting these dollar-a-year men, some of them directors of production, in a position where they become a power above parliament. We must have men who will act according to the principles which must obtain in the carrying on of government business. We cannot have men given the tremendous power which a director of production has to-day and have such men abuse that power by taking away business from citizens of the country and giving it to those whom they favour. It is a principle which is reprehensible and one which the minister has admitted to be such. What I want to point out is the general principle behind the retention of a man who does such things. While willing to make an exception in this case, I want the minister to know that we feel deeply that an essential principle is at stake in this matter.

I cannot help saying a word here about the letter of endorsation which the minister brought down in the house last Friday, whereby various members of the aircraft industry endorsed this morale building campaign undertaken by Mr. Bell through Mr. Hirst. It would have been better if the minister had left that alone. Here he is in a position of awarding contracts to every one of these aircraft producers. Their action may have been spontaneous; I do not know to the contrary; but they produce a letter signed by each one of them endorsing what is admitted by all in this house to have been an act which should not be too lightly condoned. Perhaps I should not say they put their stamp of approval on it, but they certainly put their stamp of approval on the subject matter around which the whole thing revolved, namely, the morale-building campaign.

Mr. HOWE: May I interrupt to ask if the hon. gentleman is suggesting that the resolution from the industry was not spontaneous? I want him to answer yes or no.

Mr. JACKMAN: I do not think I am required to answer the question. I did not say it was not spontaneous, but let me tell the minister this. That letter was signed, I suppose, by every aircraft manufacturing company in this country; but what amazed me mostly was to see the name of Trans-Canada Air Lines, a wholly owned government corporation, supervised by the minister himself, on it. The minister might just as well have signed it.

Mr. HOWE: My hon. friend can accept this or not. It just so happened that while this debate was on, the gentlemen represented by those signatures were in conference in Ottawa, and they walked into my office at a quarter to three on the day I presented the letter and asked me to accept it. I thought it of interest to the committee and I read it. If the hon. gentleman suggests that there was propaganda on my part, or on the part of any officer of my department, I wish he would withdraw the suggestion or accept the onus of the statement, because this should be publicized.

Mr. JACKMAN: I do not feel myself compelled to do either. If the minister thinks I suggested that he did it, he may read that into my remarks. I did not intend that he should.

Mr. HOWE: What was the purpose of saying it?

The ACTING CHAIRMAN (Mr. Roebuck): I think the speaker is required by the rules to accept a statement made by some hon. member whom he is criticizing with regard to that gentleman's own actions. I think the hon. gentleman should accept the minister's statements in that regard.

Mr. JACKMAN: I accept the statement of the minister that it was spontaneous on the part of the aircraft producers. I am not surprised that it should be because they are all beholden to him for contracts.

Mr. HOWE: That is my hon. friend's opinion. Take a look at him, imputing motives.

Mr. JACKMAN: Not at all. I want to point out this, that the power which the minister has to-day is perhaps the greatest power in this country. He has, according to his own statement, placed contracts to the value of four billion dollars, a sum which he states was greater than the total debt of this country prior to the war. Every citizen of this Canada of ours knows the power that is his through the spending of the $15 or $20 a week he may earn, at the corner grocery store or the chain store, and these stores all compete for his money. In the same way industry competes for the orders given out by the

minister; it is anxious to get those orders, and there is not a single industry of any size in this country that cares to run foul of the Minister of Munitions and Supply.

Mr. HOWE: I think the industry would be very glad to know my hon. friend's view of their action. I think they will be glad to know that they are accused of kowtowing to my power and trying to please me. I had nothing to do with that letter. I stated that I took no responsibility for it, that I believed it was a very improper letter. The industry had no particular reason to please me, but I shall be glad to have the public know the view my hon. friend takes of their action.

Mr. JACKMAN: I must say I do not feel very badly about what the minister has just said. Some of my friends are in the industry, and personally I would think the minister was not well advised in bringing the letter down here.

Mr. HOWE: A very cheap remark!

Mr. JACKMAN: The minister is very fond of saying things about various people. I might mention a few things he said during one day, Mr. Chairman. He referred to one hon. member's speech as "hysterical" and to the hon. member as a displayer of "histrionics." We in this house are great sinners if we dare to rise in our places and criticize the Department of Munitions and Supply. Another hon. member was called a perpetrator of "trick questions"; another was admonished not to talk so "glibly"; another was told he was making a "sales talk," while still another was advised to "stick to matters that he could understand." All I can say is that when I find myself in such good company I really do not feel badly off at all.

The minister has said that the opposition, and even some members of his own party who occasionally have matters they wish to bring up, should not rely on gossip. I should like to tell him one reason why we have to rely on information which may not be quite as authentic as scripture. I find that business men who favour the principles of the party of which I am a member but who, like all business men to-day, are doing business with the government in one way or another, do not want to be seen with Conservative members because they are afraid it might work to their disadvantage.

Mr. HOWE: I think there may be other reasons.

Mr. JACKMAN: I am not suggesting that the minister has any gestapo or anything like that to watch over them, but they do not like to be seen—

[Mr. Jackman.]

Mr. HOWE: Do not be too sure of the reason, though.

Mr. JACKMAN: Thank you very much; that is another of the innuendoes which the minister is so fond of handing out. However, it is a fact that it is most difficult to get information because, as we know, this is a party government; there is no national government, as so many of us on this side would prefer to see. We are not interested in politics, and I hope I am not talking politics now.

Some hon. MEMBERS: Oh, oh.

Mr. JACKMAN: I want to read to this committee a document for which the minister is responsible, which I think is one of the principal reasons for our failure to get authentic information. Let me read the oath which is required to be taken by every officer of the Department of Munitions and Supply, and this oath applies to men who are appointed as directors of government corporations and who are serving without remuneration.

Mr. POTTIER: Including a number of Conservatives.

Mr. JACKMAN: Indeed, yes; in fact it was a Conservative who let me know about this. I dare say the minister would like to call out, "Who is he"? so that I might name somebody, and then possibly the services of that gentleman, at $1 a year, would be terminated. This oath applies to our friends the dollar-a-year men who might furnish us with responsible information. My good friends to the left do get information from their particular sources. They get some of it from working men, as we do, and in addition some of us happen to know these dollar-a-year men. Here is the oath:

> I . . . solemnly swear that I will faithfully and honestly fulfil the duties which devolve upon me and shall not divulge any knowledge or information obtained by me in the course of my employment to anyone not employed by the Department of Munitions and Supply unless expressly authorized by my superior officers. So help me God.

An hon. MEMBER: What is wrong with that oath?

Mr. JACKMAN: If you wish us to make constructive suggestions, surely members of parliament can be trusted with the information these men may have; and if the minister does not want us to rely on gossip—

Mr. MACDONALD (Brantford City): Is that oath not similar to the civil service oath?

Some hon. MEMBERS: Order.

Mr. JACKMAN: If the minister is not opposed to our obtaining correct information; if he does not wish us to have to rely on what he terms "gossip", surely he would be willing to put through an amendment to that oath, to make it read, "shall not divulge any knowledge or information obtained by me in the course of my employment to anyone, other than members of parliament, not employed by the Department of Munitions and Supply". That would be purely permissive; it would not make them tell anything they did not want to tell. But as ordinary business men, surely these men can be trusted. Those appointed as dollar-a-year men are placed in those positions, by the minister if you like, because they are men who are able to hold their tongues when they should, and who do not talk out of turn. But surely if they believe that something is wrong and that it should be rectified in parliament, they should be in a position to tell their member about it.

Mr. HOWE: I would not speak again but for the fact that my hon. friend has made two statements which I should correct. In the first place he said we have given up the idea of building destroyers because we cannot get steel. I do not think it is any secret that the Minister of National Defence for Naval Services attended the ceremony of the laying of the keels of two destroyers some days ago. The other statement was that we are building aeroplane engines in Canada. That is not correct. I have stated many times in this house that we believe our industrial effort can be used to better advantage than in the building of aeroplane engines; that we had made satisfactory arrangements for all the aeroplane engines we required for our programme, and that we did not intend to manufacture aeroplane engines in this country.

Then the hon. gentleman wished a blueprint of Canada's war effort. If he could give me an accurate blueprint of the progress of Canada's war for this year, next year or any other time, I think I could give him an accurate blueprint of Canada's industrial effort for a concurrent period. But I think all we can do is try reasonably to anticipate the requirements of the war and plan our course from week to week and month to month accordingly. We have had an objective, which is to put into the hands of Canadian troops every weapon and every supply they require to carry on the war and to make them the best equipped troops in the world. Beyond that it has been our objective to make the maximum contribution to the munitions programme of the allied armies as a whole. We have found that certain lines of production are particularly adapted to this country, and we have gone full out on those lines. Certain exigencies of the war have made it necessary for us to go full out in directions which we did not intend to go in earlier stages. We have changed our course from time to time, as the developments of the war have indicated. We have watched our material situation very carefully. We have had a well-considered chart of that from the beginning, and had that not been so we would have had no munitions programme to-day. I say that because we have expanded our programme beyond anything that could have been anticipated eighteen months ago.

In the matter of steel Canada has never been self-contained. It has been our custom to import from the United States about a third of our steel requirements. We determined to plan our programme on continued importations in the same proportions. We discussed the matter thoroughly with responsible officers in the United States, and it was agreed that if we maintained this proportion we could reasonably count on the United States furnishing the same proportion of our requirements that had been their custom to furnish in peace time.

We have increased our production. Our billets production to-day is about 50 per cent greater than pre-war capacity. To those who know the time and money involved in developing capacity for basic steel, the tremendous increase will be readily understood. No other country in the world has, I think, had the same proportionate increase in the same period. I am speaking of basic steel.

In the matter of alloy steel we have gone considerably farther, and we have multipled our pre-war capacity by more than five, and, I think, more than six times, to make possible the gun programme and other programmes involving the use of alloy steel in this country.

My hon. friend has said that we have no balance sheet. The interview he had took place at a time when we were moving from a system of priorities into a system of definite allocation. The practice is to-day to place in the hands of every producer of steel a rolling schedule which will cover his rollings for the next month, and to attach to that schedule definite allocations for every pound of steel that is rolled. That requires, as hon. members know, an accurate balance sheet. It requires an accurate forecast of steel requirements for the succeeding months, and an accurate breakdown into rolling schedules.

In the first phase of the war steel was not as tight. We could get along very well with priorities; that is, giving the first call on steel to types of production where war requirements were most urgent. We have watched our raw materials situation very closely. However, we have not proceeded timidly; rather we have proceeded boldly. We have stretched our resources, as we think, to their limit. Under these circumstances it is not surprising that the increase in raw products sometimes gets out of step with the increase in finished goods. There are times when finished goods are planned at a certain rate of production, and it is found that the machines will do better than anticipated, and turn out an increased production. Unfortunately we cannot stretch basic steel production as we can the production of finished goods, and we have situations where we have temporary shortages of steel. Similarly, in connection with United States steel, on which we depend, and which is about a third of our total supply, we have found difficulties from time to time. Our shipments get out of step, and we do have shortages. Such conditions are inevitable, if we want to proceed boldly and get the last ounce of finished production out of our factories. But the situation is improving all the time. Production is coming in from the factories, and these delays are getting less as time goes on. We hope they will shortly be eliminated. We still have considerable basic steel production coming in. I think we have a half million ton capacity of pig-iron under construction at the present time. Part of that will be in in July of this year, and part of it in the early months of next year.

We have carefully assessed our scrap capacity, and the ability of this country to produce scrap. We believe that that situation is well in hand. My hon. friend rather implied that while the Japanese had been piling up the scrap we had done nothing about it. As a matter of fact we have in this country substantial reserves of scrap which we are doing everything possible to protect, through salvage campaigns.

My hon. friend asks why we did not proceed with steel development at Ojibway. The situation at Ojibway is this: Two blast furnaces were built there many years ago. They were never brought into production. Essential parts of the furnaces, such as blowing equipment, which is in fact the most important part of a furnace, were never supplied. The only operation carried on there was galvanizing of steel plate. That, of course, is not in any way an operation having to do with basic steel. The furnaces were there; we looked at them at the earliest opportunity to see whether they would offer a reasonable point at which to expand our steel production. It is quite obvious from the report made to me by the best experts in this country that the same capacity could be obtained very much more cheaply by expanding the steel plants already in operation. The expansion at Ojibway meant putting in coal-handling equipment, ore-handling equipment and dock facilities. The docks there are not in any way equipped. It involved improving the blast furnaces which, while modern at the time they were installed, are entirely out of date to-day. They are not of the size or capacity which anyone would buy or install at this time. As I say, the expense was vastly greater than would be the expense of expanding the existing plants. The result is that our expansion was made at existing plants, namely Dominion Steel and Coal Corporation at Sydney, the Steel Company of Canada at Hamilton, Canada Foundries and Forgings Limited at Hamilton, and the Algoma Steel Company at Sault Ste. Marie. We have stepped these plants up, and balanced them up, until we have increased our production of basic steel by more than 50 per cent over the pre-war capacity.

We have expanded our production of aluminum in this country by some five times. We have heard a great deal about the expansion of aluminum production in the United States, but to-day in Canada we have a greater capacity for aluminum production than we ever had in our history. I think about 44 per cent of the aluminum which is produced on this continent is produced in this country.

We have carefully weighed our power resources, and have stepped them up in a practical way. Our industries have been distributed to use those resources to the utmost. I believe to-day we are making a very efficient use of the power at our disposal.

The hon. member mentioned one further point, namely the oath of secrecy. We thought we should go the whole way, because we were doing very secret work with secret weapons. For clients in connection with whom secrecy was necessary we thought we should go the whole way. We made provision that our employees must obtain the consent of their senior officers before information could be given to anyone. I think that is the usual form, and I think there are few countries in the world that do not exact that oath from employees handling confidential war documents.

Mr. JACKMAN: I presume the minister has no objection to members of parliament who represent the people of Canada having the information at their disposal. That would not force his dollar-a-year men to give information; it simply puts them in a position where they would feel that they are not breaking their oath.

Mr. HOWE: My hon. friend has been a member of parliament for a sufficient length of time to know there is a proper way to obtain any information that he wishes from any department of government. The proper way is to apply to the minister of the department for the information. As he knows, it is highly improper for a member of parliament to go to a deputy minister or a minor officer in the department to obtain information, particularly information which he intends to use in this house. The net result of that is that he embarrasses a man who has no protection except the ordinary protection he gets in his duties. I think it is highly improper for any member of parliament to question an officer of a department for material which he intends to use in this house. I think the position in the Department of Munitions and Supply is exactly the same as that in any other department of government. I have men delegated for the express purpose of providing information to members of parliament when that information is asked for through myself. I challenge any hon. member to say that he has been denied any information by my office when he applied for it in the ordinary way.

Mr. BLACKMORE: I have greatly enjoyed the discussion thus far, but I believe we should revert for a time to the question of labour supply and the attitude of labour. That there is a most gratifying extension of Canada's war production, no one could possibly doubt. One great danger I see, however, is the spread of deterioration in the morale of our labouring ranks. I have seen some evidence of great indiscretion during the last two or three months with respect to labouring men. I should like to comment on the labour situation and draw to the minister's attention some of the causes for anxiety that I feel exist.

As an example of the sort of thing that I think ought not to appear in Canada, may I refer to a leaflet which came to my desk not a great while ago. This contained advanced pages from the May, 1942, issue of *Industrial Canada*. The heading of the leaflet is "Recent appeals by the press in the United States and Canada for an all-out war effort." I read this through with some care and marked certain passages which I rather wished had not appeared in print in Canada. One of these appeared in the Windsor *Star* of April 21, 1942, and it reads:

> The workers in our shipyards are undoubtedly entitled to fair and decent treatment. They are entitled to take every fair and decent means to obtain it. They are not entitled to demand the lives of soldiers and sailors in order to gain their ends.

I think we must all grant that there can be no objection to what the words say, but what the words imply is extremely offensive. There may be nothing wrong with this, but what came into my mind was: What is a fair wage? I wonder if it ever entered the minds of the printers of the Windsor *Star* to canvass the whole wage situation in Canada in order to determine what would be a fair wage and then examine the wages paid in the particular plants involved to see whether they conformed to the level of desirable wages throughout Canada? There is in evidence the greatest amount of loose, slipshod, careless and unscientific thinking on this matter. The former Minister of Labour (Mr. McLarty) is looking at me very earnestly, but I think he will agree with me that there is a lack of objectivity in thinking with respect to the wage situation in this country.

Mr. McLARTY: The only thing is that I doubt if it is the duty of one particular newspaper to make an analytical study of all the wages paid in Canada to see if they are relatively fair and decent.

Mr. BLACKMORE: I will grant that it probably is not the duty of any particular newspaper; but when the newspaper endeavours to obtrude itself into a discussion and makes remarks which might be offensive to people, it pretty nearly becomes essential for that newspaper to have something constructive to offer.

Mr. McLARTY: I would not agree with the hon. member for Lethbridge. Newspapers do inject themselves into many discussions without assuming the basic responsibility of conducting a national canvass to see whether or not their observations are entirely well founded.

Mr. BLACKMORE: I did not rise to discuss newspapers, so I am not going any farther. I have said what I think and the minister has said what he thinks, so we will leave it at that. They say that labouring men are entitled to fair and decent treatment, but again there is a lack of objectivity. People are not agreed as to what constitutes fair and decent treatment, and the result is that bitterness is likely to be engendered. We must not have bitterness engendered in the minds of the men

or in the minds of their employers. The newspaper goes on to say that the men are entitled to take every fair and decent means. What are fair and decent means? To what can the miners or the labouring men resort?

Mr. MITCHELL: The Industrial Disputes Act of this country stands out in bold relief when compared with any other form of labour legislation of a like nature.

Mr. MacINNIS: Is it working to-day?

Mr. MITCHELL: My hon. friend knows that it is working to-day.

Mr. BLACKMORE: The retort which naturally comes into one's mind is, "ye shall know them by their fruits." I believe before I get through I shall be able to show that there are sufficient fruits from the labour policy of this country to show that it is not working as it should.

Mr. HOWE: Would my hon. friend let me interject a remark? The Minister of Labour and I made a very important engagement for 9.30 o'clock and we have been postponing it, relying on the fact that we would be kept here for only half an hour this afternoon. Would my hon. friend excuse us for a few moments and let the acting Minister of Labour carry on? I think it is going to be a labour argument, and we promise to return as soon as we can.

Mr. MITCHELL: I will say to my hon. friend that the matter he is discussing is one my colleague and I are going to discuss, and it will affect the welfare of thousands of working men in this country.

Mr. BLACKMORE: Then I certainly wish the Minister of Labour could be here. May I just say to him that I think he is doing the job in a way that is going to make for improvement, and I wish him well in the very difficult task ahead. I was referring to certain passages in certain newspapers. I turn now to the Toronto *Globe and Mail* of April 14, 1942, where these words appeared:

> We have not read that these gallant seamen are quarrelling with their employers about overtime pay. There can be no excuse for a shut-down in any Canadian shipyard. Unfortunately, Canada has had more than one. Less than ten days ago a Quebec shipyard was closed down pending adjustment of complaints about wage schedules.

Again there is an insinuation and an implication which is offensive. I notice that this paper attaches the blame entirely to the poor working men and never a word of blame to the man who is employing the men. If there develops in a plant ill feeling as a result of which the men feel themselves obliged to take drastic measures, no blame is attached to the man who goaded them on and refused to listen to their plea. That is entirely as it ought not to be. The paper goes on to say:

> Men producing guns, tanks, planes and ships ought not to be allowed to down tools in face of the enemy. They are entitled to fair wages.

Again we have fair wages mentioned with no definition as to what fair wages are. I believe we will grant that the men who are working in munitions plants ought not to down tools, but may I say once more that the men who are managing these plants ought not to put the working men in a position where they are obliged to lay down their tools.

I turn to the Montreal *Gazette* of April 22, 1942. These newspapers by the way are commenting on the strike which took place in the shipyards at Midland and the sympathetic walk-out that took place in the Kingston plant. The Montreal *Gazette* says:

> Shipyard workers at Midland, Ontario, downed their tools last Wednesday mainly because a semi-skilled workman had been dismissed or transferred. It does not appear to have been a good enough reason for paralysing an essential industry.

Once more the blame is attached to the men, and not to the man who dismissed this worker. We are not given any details to show whether the dismissal of this worker was justified. The whole thing is left in such a way as to cast reflections on the men who are working in our munitions plants. That is decidedly not fair; in fact, it is decidedly pernicious. May I read another passage from the same editorial?

> Labour interests can be safeguarded, and where legitimate will be safeguarded, without the necessity of strikes which interrupt war production and are gifts to the enemies of this country.

If only Canada would safeguard those rights! If only we had the evidence to prove that they had been safeguarded! If only we had evidence to show that provision would be made to safeguard these rights, things would be so different from what they are to-day in Canada. I wish to point out to the minister that this situation is, in my judgment, exceedingly grave. It is far easier to keep men feeling enthusiastic when they are not bitter than to get them back into the right frame of mind after their morale has been destroyed.

I believe that all the members of the federal cabinet who have anything to do either directly or indirectly with labour policy in this country ought to get together in the most earnest manner and, having regard to

the way in which labour problems are taken care of elsewhere, draft a policy which will be most completely designed to make the labouring men in Canada happy, for unhappy men cannot produce as well as happy men. The cabinet should have in their minds in approaching this task this principle, that they will make the labouring men in Canada partners in Canada's war effort and not servants in Canada's war effort.

There may be those who will think I am probably overstressing this matter but, Mr. Chairman, I find on the streets as I talk with the ordinary man here and there an antagonism to the interests of the labouring man which undoubtedly has been engendered by such things as the newspaper comments to which I have referred already in this speech. Such antagonism undoubtedly offends the labouring men whenever they come into contact with it. The whole effect is altogether undesirable. So I say that every cabinet minister who has anything to do with the labour situation in Canada should devote himself most earnestly to the drafting of the finest labour policy that can be drafted for this country.

In that policy there are several important principles which should be incorporated, and the first one is the principle of the fair wage. A board of men in Canada should be set the task of determining what a fair wage policy in Canada is; whether or not, we will say, a wage of $120 a month which might perhaps be fair in one city is fair in another city, and whether sufficient allowance is made for the cost of living and other considerations, so that we can be sure that the wage rate throughout Canada from coast to coast is fair and equitable.

There will be those who will answer me in this way: "Now, look, you simply cannot have the wage rate in Canada raised without causing inflation. The freezing of wage rates is a necessary precaution against inflation." Let me answer them thus. Inflation is a rise in price. When men were given additional reward for their labour, if the added pay were not registered in increased costs or increased prices there would be no inflation. The only danger then would be in having extra purchasing power going out into the hands of the people, which might, by their using the goods which were available, tend towards inflation.

There will be no increase in the costs of the articles produced if the government subsidizes the wage rate in a given plant so that the government pays the additional increase. Such procedure would obviate the necessity of the plant adding anything to its costs and raising prices.

Mr. WOOD: Who will pay the subsidy?

Mr. BLACKMORE: The government will pay the subsidy.

Mr. WOOD: Who is the government?

Mr. BLACKMORE: The government must use credit, the credit of Canada, to do it.

Mr. WOOD: Where are we going to get the cash?

Mr. BLACKMORE: I know my hon. friend does not understand that. I know he is quite earnest and sincere, but may I tell him that he is living in the middle of the twentieth century, in a time when orthodox methods of finance can no longer safely be used or relied upon. There are financial principles as a result of the application of which the government can use the credit of Canada to increase the wages of the men working in plants without causing an increase in the costs of the goods those men are producing, and without causing additional taxation or occasioning additional borrowing.

Mr. McLARTY: Or inflation?

Mr. BLACKMORE: No, it is not inflation. Remember that inflation is a rise in price. Does my hon. friend accept that as the definition of inflation?

Mr. McLARTY: No.

Mr. BLACKMORE: That is true. I know my hon. friend does not know that, but I am telling him.

Mr. McLARTY: I wonder whether the hon. gentleman has analysed the experience in the last war as to the rise in the cost of living, which exceeded much the rise in wages as this rise in the cost of living progressed.

Mr. BLACKMORE: Now, Mr. Chairman: before very long, in this whole general debate, the question of inflation will be discussed in great detail. I am thoroughly familiar with what happened in the last war. I know the causes of it, and I know the way in which it could have been remedied and prevented. But to obtrude a discussion in detail on the subject of inflation at this time would probably not be in order, as the minister will acknowledge.

Mr. McLARTY: Quite true.

Mr. BLACKMORE: So that, while the subject is exceedingly interesting, and there is no subject which I would rather discuss, if he will permit me we will not go into inflation now. In passing, however, I wish to say one other thing about the question of inflation. I have shown that if the government pays the additional increase of the wage—

An hon. MEMBER: Who is "the government"?

Mr. BLACKMORE: Well, I did think my hon. friend knew that. The result is that, if the government pays the increase of the wage there will not be a rise in price of the product of the industry, so there will not be inflation in that respect.

With respect to the money which would go out into circulation, we must, by increasing production, prevent that from causing inflation. Canada has not by any means attained her maximum of production of milk, cream and various other commodities for which people spend money. Meanwhile if the government find there is too great a pressure on the supply they will have to ration—that is all—to prevent inflation. Or they will have to use some means, let us say, of paying in victory bonds, or war savings certificates, or something of that sort, which cannot be spent at once but which the labouring men can hold to comfort them for the future.

I think I have dealt enough with the question of inflation to show that there is no reason why the government cannot step into a given plant and, by subsidizing the rate of wage which is paid in that plant, raise all wages in that plant to a level which will be equitable.

The second principle which should be involved in our labour policy is the right to organize. I have under my hand at least seven different memoranda prepared and submitted by the labouring men throughout Canada, and I have magazines and other periodicals here which have been published in Canada in which are articles by men who are leaders of thought with respect to labour. In every single one of these the request is made that the men be given the right and allowed to exercise the right of organization and collective bargaining. I do not believe, sir, you can content the labouring men of Canada unless you give them that right and guarantee it to them and allow them to use it—the right to organize and to bargain collectively.

Why should Canada be the only one of the British countries in which this right of collective bargaining is denied the men. Why should it be possible to grant it to the men in Britain and the United States—

Mr. McLARTY: Does the hon. member suggest that any act of this government or any other government of Canada refuses the right to organize to employees in industry?

An hon. MEMBER: Another straw-man!

Mr. BLACKMORE: At another time probably I shall discuss this matter in the presence of the minister, and I believe he will be astounded to learn how completely this government—the government which holds office right now—has destroyed in Canada the right of collective bargaining.

Mr. McLARTY: Let us be fair about this. There is no act of this government which has disputed or in any way challenged the right of men engaged in industrial enterprise to organize.

Mr. BLACKMORE: And to bargain collectively?

Mr. McLARTY: And to bargain collectively, yes.

Mr. BLACKMORE: And if a company discovers an organizer in its ranks and fires him, what does the government do?

Mr. McLARTY: Under the criminal code, if anyone is discharged by reason of the fact that he belongs to a legitimate trade union, the company concerned is subject to prosecution.

Mr. DOUGLAS (Weyburn): How many prosecutions have taken place?

Mr. McLARTY: I could not answer that question offhand. There are some that I remember quite well. There was one in Vancouver and, I believe, one in Montreal. I do not remember the actual number. Naturally, I have not the facts beneath my hand now. But there is a definite introduction into the criminal code, made, if I remember correctly, in 1938, that no man can be discharged from employment by reason of being a member of a trade union. It was introduced by this government.

Mr. BLACKMORE: I must perforce accept the word of the minister, but I believe he will find some difficulty in explaining the passage which I have already read from the Montreal *Gazette:*

> Shipyard workers at Midland, Ont., downed their tools last Wednesday mainly because a semi-skilled workman had been dismissed or transferred. It does not appear to have been a good enough reason for paralysing an essential industry.

The minister will have upon his shoulders the burden of explaining why the men would consider it necessary to strike if they had assurance that their interests would be protected. I think the mere fact that these men in Midland did strike was the very best possible evidence that they had lost confidence in the government's willingness or ability, or both, or courage, to protect them in their demands to organize and bargain collectively.

As I say, I must accept what the minister said, but I have plenty of evidence, which I just do not happen to have under my hand and organized so that I can deal with the subject to-night, to show that in this country to-day there remains hardly anything substantial of the right of collective bargaining. It has been emasculated. It has a form of reality, but denies the power thereof.

The third principle which must be embodied in the labour policy of this country is that labour shall be permitted, be invited, be guaranteed to enjoy the right to participate with the management of industry in determining the policy of the plant concerned. That has not been done. I have here comments, statements in memoranda, every one of which agrees that all the offers of the men to cooperate with plants have been rebuffed. There has been a determination manifest on the part of industrial managers to treat the labouring men as servants, not as partners. That must be changed. It has been changed in Great Britain; it has been changed in large measure in the United States, and it must be changed in Canada.

There is one other thing which I think is rather important in this connection. May I give an illustration? Some time ago we were discussing the matter of pensions. We were discussing the Pension Act for soldiers, and a good deal of misunderstanding arose on account of the fact that we were looking only at the pensions Canadians were receiving and not at the social benefits which they were not receiving. Hon. members would rise in this chamber and say that the Pension Act of Canada grants higher pensions to men than does any other country in the world. That may possibly be. But in order properly to gauge or assess the value of the Canadian pension one must first examine and see whether or not there are other benefits to be found in other parts of the world which are not to be found in Canada. We in Canada are the most laggard nation on earth in the matter of social services. I have never heard of a modern nation anywhere that neglects the welfare of the common people as Canada does, and before I am through I shall be able to prove it. Those of us who were fortunate enough to be in the empire parliamentary group at luncheon to-day and heard Mr. Nash of New Zealand must have blushed for shame to think how pathetically inadequate was Canada's showing in comparison with what is being done in little New Zealand. If there was anyone who did not feel ashamed he must have become very callous. In Canada we lack social services, and therefore we must have a higher wage scale than is to be found in other countries. I do not believe there is any other country among the British peoples in which the wage scale is lower than it is in Canada. I may be wrong, but I have not read about it if there is such a country.

Mr. McLARTY: Will the hon. member give us figures to substantiate such a statement, which is directly opposite to what I have understood to be the fact.

Mr. BLACKMORE: Very soon I shall give figures which will impress the minister.

Mr. GRANT: Just dealing in platitudes.

Mr. BLACKMORE: What is the hon. gentleman's complaint? Murmuring as usual! I shall read three or four statements from labour men themselves. The hon. member for Vancouver East (Mr. MacInnis) the other day referred to a pamphlet called "Victory needs steel", by C. H. Millard, executive director of the steel workers organizing committee, Canadian region. I am not in a position to know a great deal about this organization, but the pamphlet bears evidence of having been prepared in a scholarly manner and is written with apparent regard to accuracy and moderation. I am going to read several passages giving the labouring man's point of view. The first one appears on page 14:

> The workers oppose nazism with all their might because they hate slavery. They want nothing more than an opportunity to share in the country's effort for victory, and they cannot make their best contribution if they do not feel secure in their jobs; if they are not permitted to associate themselves in the union of their choice; if their wages are inadequate, and if they see lack of planning and great mismanagement around them without being able to do anything to remedy the situation. Under such conditions their minds are worried and their spirit depressed, they lose confidence, they become discontented and bitter. They begin to distrust their government and their faith in the democracy of their country becomes shaken.

The implication is that conditions are not by any means as rosy in this country as the minister has been led to believe they are. Again on page 17, and this bears on the minister's question:

> Wage rates in the Canadian steel industry are both woefully inadequate and chaotic. In the four basic steel plants the minimum rates vary all the way from 37½ cents an hour to 46½ cents an hour, or a spread of 24 per cent.

How you can justify that, needs a lot of explaining.

> The same spread is to be observed in the rates of most of the skilled workers. Thus, the wages of a machinist vary from 62 cents to 75 cents an hour, or a spread of 20 per cent, and those of a pipefitter from 46 cents to 76 cents an hour, or a spread of 65 per cent.

I think the erstwhile Minister of Labour will grant that there is a condition there that needs explaining.

Mr. McLARTY: Far from bearing out the remarks which the hon. member made earlier, it deals with the relative spread as between particular employees in a particular industry and not the relative spread as between wages paid in Canada and wages paid in other countries, to which he earlier referred.

Mr. BLACKMORE: I will very soon reach a passage which will deal with the minister's question. There is another one coming. I quote from the same page:

The central committee of our union in the basic steel plants justly said of this condition:—

Notice that it is the central committee that said this.

—The wide variation within plants and across the country for the same or similar jobs is indisputably a disruptive influence. Uniformity in this matter and a planned national wage structure would eliminate one of the prime causes of industrial unrest and make our citizens part of one well-coordinated production machine. There is no justification for some of the wide differences established. Steel sells for the same price across Canada. It takes as much physical and mental effort to perform any similar job, whether in Hamilton, Algoma, Sydney or Trenton.

With respect to the matter for which the minister asks evidence, may I turn to page 18:

Yet in the basic steel plants in Canada almost a third of the workers receive only the minimum rate, which in every case is less than 50 cents an hour, and 55 per cent of the employees receive less than 55 cents per hour. When these wages are compared with those paid in the United States their inadequacy becomes more apparent. Broadly speaking the minimum rate in the basic steel plants in that country is 72½ cents per hour. In Canada this is almost the maximum paid to the highly skilled steel workers.

There is one of the countries.

Mr. REID: What about Great Britain?

Mr. BLACKMORE: I am sorry to say I was not prepared to deal with that. I did not come prepared to deal with the whole thing in an encyclopaedic way.

Mr. REID: I challenge the hon. gentleman's statement that this country is paying the lowest wages of any British country. I say to him without fear of successful contradiction that wages are lower in Great Britain, but that does not mean that they are suffering more.

Mr. JOHNSTON (Bow River): What are the wages in Great Britain?

[Mr. Blackmore.]

Mr. REID: I can give some of the trades. Take the moulders. They are earning $10 a week, and in this country they are earning $1 an hour.

Mr. JOHNSTON (Bow River): More than $10 a week, surely?

Mr. REID: Two pounds.

Mr. DOUGLAS (Weyburn): They make more than that now.

Mr. REID: From two pounds to two pounds ten shillings. I challenge the hon. member to say that they pay more in Great Britain than we pay here.

The ACTING CHAIRMAN (Mr. Roebuck): The hon. member for Lethbridge (Mr. Blackmore) has the floor.

Mr. BLACKMORE: If it be so, that the labourers in Great Britain are receiving less than the labourers in Canada, it is only to be excused. I am not prepared to prove that Canada is receiving the lowest rate of all. Let us bear in mind that Great Britain is not in a position to supply the goods which would enable her to pay the rate Canada could pay. But Canada should be far ahead of Great Britain; and, since the hon. member referred to actual living conditions, from what I could gather, those of the people of Great Britain were far ahead of the living conditions of the people of Canada.

Mr. REID: That is a different point.

Mr. BLACKMORE: I grant that. I wish now to read another short extract, from a pamphlet called "Labour's plan for production," recently issued by the Canadian Congress of Labour. On page 1, I find the following statement:

The workers on the job are fully aware that present production policies are inadequate; they know that vastly more can be done; they realize that only by the widest and most efficient use of the machinery of production, the material resources, and the man-power of the nation can victory be achieved. The congress therefore believes that a plan should be adopted which will arouse the enthusiasm and release the energies of the workers by treating them as partners in the war effort, with a full understanding and a voice in the determination of production policies. Labour management co-operation is the key to maximum industrial efficiency, as has been proven by the experience of Great Britain and the United States.

Undoubtedly the men who wrote this are far better informed on the subject than I possibly could be, since as a member of parliament I have to wrestle with scores of problems. I take it these men know what they are talking about. Let me read another passage, which is quite significant.

The ACTING CHAIRMAN (Mr. Roebuck): I am sorry to have to tell the hon. gentleman that his time is up.

Mr. DOUGLAS (Weyburn): I desire to take only a few moments to say something about the matter of production in the aircraft industry. When I suggested yesterday afternoon that I should like to ask the minister a question or two I had no intention of keeping the minister tied up here all day, but I have been trying to ask these questions for a day or two. If I had not found an opportunity before eleven o'clock to-night probably I would have forgotten about it, because I do not like to see the minister tied down here when he has so much work to do.

Mr. CRUICKSHANK: Then why waste time?

Mr. DOUGLAS (Weyburn): I do not think it is a matter of wasting time, but the hon. member may judge for himself. I think there is some information we should have, and this is the only place where we have an opportunity of bringing certain facts to the attention of the minister. I can assure my hon. friend that I am not going to take time to make any general speech or indulge in any rhetoric.

I think to-day it is recognized by everyone, even by those of us who have no technical knowledge, that the aircraft industry has become one of the most vital industries to the winning of the war. Every battle we have lost has, in the main, been lost through lack of support in the air. The few battles we have won, Dunkirk, the Coral sea naval battle and one or two other engagements, have been won because for a time at least we had mastery of the air. For that reason the production of aircraft has become of increasing importance in the eyes of everyone who wants to see the united nations not only win the war but win it as quickly as possible. Therefore, during the last two sessions I have been asking the minister some questions about aircraft production. He will remember that last year we discussed the question of the Malton plant, and at that time the minister said he was not very well satisfied with production there. The other evening the hon. member for Bow River said that in his opinion the aircraft factories were not working to full capacity. I do not think there should be any misunderstanding when that statement is made. There is no doubt that aircraft production in this country is much better than it was last year and that last year it was better than the year before; and any person who criticizes that production must not be understood as saying that we are not making progress. I think those responsible are making progress; but the questions I raise to-night are whether we are making that progress fast enough, whether we could not have made more progress, and whether we are utilizing our full capacity.

The hon. member for Bow River said his experience was that we were not utilizing our full productive capacity. The only answer I heard was in a speech by the hon. member for Fort William, who painted a rosy picture of what was happening in that city, where we have probably one of the best aircraft factories in Canada. I was rather amused, because the other evening when the hon. member for Mackenzie and myself were asking some questions about wartime housing, the minister intimated in a very kindly way that two ministers of the gospel, as he called us, could not know much about these matters. But when the hon. member for Fort William, who is also a minister of the gospel, was eulogizing the minister as the new Napoleon of the mechanized age, the minister seemed to consider a theological training a good thing in that it helped a man to discern what constituted a really great national figure. As a matter of fact, what the hon. member for Fort William said about the aircraft industry is, in my opinion, not altogether borne out by the facts. He spoke of the industry being in full swing, with everyone being very busy; but, in the language of one of the radio comedians, "that ain't the way I heared it." A great many men have left western Canada and gone to work in these factories. I know quite a number of these men, some of whom were soldiers in the last war, many of whom took technical training and went to these factories with the idea that they might render a real service to Canada's war effort. I have had communication with a number of them, with some by correspondence and with others by personal conversation as I have moved across the country, and one hears disconcerting statements from men who have become disillusioned. A man writes, for instance, that the slogan seems to be, "Don't work too fast or you will find yourself out of a job." One hears of men given a certain amount of work to do and told they must spread it over a considerable period of time. Another man points out that these factories work five and a half days a week, with only one shift a day. I know there may be many factors to cause that, which I do understand and which these men do understand, but there is a feeling among these people that somehow or another they are not being given an opportunity to pull their weight, and I think it only fair to draw that fact to the attention of the minister.

I am not in a position to speak with first-hand knowledge, and neither is the hon. mem-

ber for Fort William, who painted such a glowing picture. But in looking through the newspapers I find, for instance, that the Port Arthur board of trade, who would have no reason to be unsympathetic to the minister or the work he is doing, sent a resolution to him protesting the fact that there did not seem to be a full-out effort being put forth in the aircraft industry in Fort William. I understand the minister replied to that resolution. In a little publication called *The Effort,* which is the official organ of aircraft lodge 719, International Association of Machinists, an affiliate of the A.F. of L., I noticed an editorial which I should like to read. This is written by men working in the plant, men who have reason to know what is going on. If they were only interested in earning their bread and butter they would simply take their wages and say, "Whether we produce planes or do not produce them is not the essential thing"; but these people are interested, as we all are, in the winning of the war. This is what the editorial says:

In a letter from the Hon. C. D. Howe, Minister of Munitions and Supply, to the Port Arthur trades and labour council, we are informed that our plant has produced 726 Hawker Hurricanes to March 12, 1942, and considering the comparatively brief period during which our plant has operated we should be proud of this production record. Yet, we, the aircraft workers cannot be proud of such a record, after thirty months of war with nazism.

We do not blame the local management for this poor production record, but we do blame those in high places, and we state that there is something wrong in our aircraft industry, and our effort is not total war. We have not seen a great change-over from peace to total war in this country, we will agree that Canada is endeavouring to fight Hitlerism, but at the same time interfere as little as possible with the profit system and the standard practices of the controllers of industry. It is true that excess profits are heavily taxed, but the scramble for profit still goes on, and the exploitation of the great mass of workers continues as in the days of peace.

The main question of self-satisfaction will not get us anywhere, it is time all bottlenecks be removed and that the government should realize that the workers are not satisfied with present production records. Labour has already made many sacrifices in order to expedite the general war effort. This was done for two reasons: primarily because organized labour is composed of good substantial Canadians with a sense of real patriotism, and second, in an effort to show in this emergency that we stand one hundred per cent for total war, we the workers have buried the hatchet and are concentrating our efforts upon the common enemy, Hitlerism. There is a little question as to just what must be done—not to-morrow, but to-day, to do away with all bottlenecks, also governments and management must realize and confess that they don't know all the answers. Invite labour to participate more fully in the readjustment to meet the war emergency, and don't hide behind

[Mr. T. C. Douglas.]

726 planes as a total war effort. We, as labour, do offer one suggestion—one that should be accepted willingly: Establish in all war industries a board of six members, three from the management and three from labour, to be called the production board.

I notice, incidentally, that in the same issue of this little paper appears an article which shows that this feeling is not confined to the one plant. This article states: "Lodge 712, Montreal, charges plane output 'below possible output'," and it quotes Robert Haddow, grand lodge representative assigned to the aircraft industry. The article states:

Robert Haddow, Grand lodge representative assigned to the aircraft industry, said the meeting was giving expression to the opinions of about 7,000 aircraft workers in the Montreal district and that indirectly they represented the 17,000 in the aircraft industry of the district, who were "in the front lines of this great battle to produce the sinews of war." The conference was held to put "more steam, more pressure behind that battle, for the men and women behind the machines will not fail the men behind the guns."

There is this further paragraph:

He further stated: "We, of course, do not know what plans the government may have for stepping up Montreal aircraft production," he continued. "The planning of production is Mr. Bell's job, not ours. However, we do know that machines are standing idle in our factories for many hours in the week, that production schedules have not been increased to any considerable extent this year, that workers are being laid off at a time when, to win the war our industry should be humming 24 hours a day, when production schedules should be accelerated, when, instead of lay-offs we should be training thousands of new workers."

Naturally I am not in a position to judge as to the accuracy of this statement. But it is disconcerting to me, as a member of this house, and to any other hon. member, to find men actually engaged in production of aeroplanes in two different places in Canada making known to the minister and to the public the fact that they do not feel that industry has yet anywhere near reached its maximum output. What steps has the minister in mind to step up this production?

I know that one of the reasons why they are not working three shifts a day, six or seven days a week, must, of course, be the lack of raw material. I am sure that must be a factor. Another factor would be the difficulty of getting aeroplane engines. But I think the committee would like some assurance that plans are being laid and steps being taken to mobilize all the resources of the aeroplane industry, with a view to getting maximum production, because while some very rosy pictures have been given by different officials as to the total number of planes produced per

month, the fact remains that a large percentage of those planes are training planes—not front-line planes.

Mr. HOWE: No.

Mr. DOUGLAS (Weyburn): Well, I will not argue with the minister.

Mr. HOWE: It switches the other way. In the beginning it was training planes; now it is combat planes.

Mr. DOUGLAS (Weyburn): I will not argue with the minister; but as a member of the war expenditures committee I have seen some of the production figures. However, I will not argue with him just now, but will argue it out with Mr. Bell when he appears before the war expenditures committee. I have seen production figures, but I would not make any statement which would involve a breach of confidence. That, however, is my impression.

Mr. JOHNSTON (Bow River): Quite right, too.

Mr. DOUGLAS (Weyburn): I wish to make two suggestions. I cannot make suggestions along technical lines, because that is not my business. It seems to me, however, that there are two things which could be done, the first of which was mentioned to-night by the hon. member for North Battleford. It seems to me that if labour were taken into partnership to a greater extent than has been done, we would get much better production. I believe there is a great reservoir of skill and cooperation the government has not yet begun to tap. I believe the production committees in Great Britain, and the labour movements both in Australia and New Zealand are to a very great extent responsible for the whole-hearted cooperation which those people have been able to give in their production effort.

When I say that, I am not casting any disparagement upon our own effort. But I do say to the minister that if labour were given the feeling that it had a voice in the councils of the nation, and that in the different shops it was sitting in with the management, planning production, offering suggestions about the removal of difficulties, and putting forth concrete recommendations for new ways and new methods, and, in some instances, providing substitutes where certain raw materials are no longer available, it might be possible to step up production much more rapidly than has been done.

The second suggestion I wish to make is one which I hope the minister will not misunderstand. From time to time it is our task to bring suggestions and even to offer criticisms of government policy. We have not always agreed with the policies of the minister, or with some of the policies of this government. I hope the minister will never take that as meaning that we do not appreciate the work he has done for Canada. I think every hon. member—certainly every member of the group with which I am associated—has admired the minister's dynamic energy and the tireless way in which he has worked for this country. He started in with a department, from scratch, and he has built up a tremendous organization which has produced very worth-while results. That does not mean it has produced all the results it could have produced; but I should like the minister to know that, as a general rule, the Canadian people look with a great deal of favour upon his work, and are appreciative of it.

I say that because I wish to make a suggestion. The Department of Munitions and Supply has now grown to a point where in the interests of Canada's war effort it ought, in my opinion, to be divided. As has already been said, here is a department which has already placed contracts to an amount in excess of the national debt of Canada prior to the outbreak of war. In the early days when this department was being set up, probably it could be set up only in the way it was. But we have moved to the place now where it is the largest spending department in the government, larger than all the other departments put together as far as the actual placing of orders is concerned.

It seems to me that the department falls legitimately into two categories. First, it is a purchasing department, and for that reason there ought to be a separate ministry of supply charged with the responsibility of placing contracts, looking after the rationing of gasoline, rubber and many other products. These are things which ought not to be laid upon an already overworked minister, no matter how ambitious, energetic, and tireless he may be. He should not be loaded down with the purchasing, even though he may do it through subordinates, of hundreds of millions of dollars worth of commodities, all the way from boots and shoes to tanks. This is a responsibility which no one person can humanly carry.

As I say, there ought to be a ministry of supply and, on the other hand, there ought to be a ministry of production. I think the government would be well advised to turn over the whole task of placing orders and of making purchases, which has now been organized probably to a point where it is routine, to another minister and leave the present minister free to become the minister of production. He could then devote all

his drive and energy to the task of getting production. This problem is becoming more pressing. Steel has been talked about a great deal. It is not only a problem of getting steel production up to capacity; there is also the problem of whether or not the capacity can be increased.

There is now the question of getting oil. When I was home at Easter I talked to one or two men interested in the oil business and in geological surveys. They mentioned a Mr. Gower, who I believe works for the Regina Industries Limited. I do not know the gentleman, but I am told that he has spent a good deal of his own money—I believe he appeared before the national research council—working on a formula for extracting high-grade gasoline from the tar sands of Alberta. As far as I know, his formula has never been adopted. There is a whole field which ought to be investigated with a view to finding whether or not we can secure additional oil resources in Canada.

There is also the question of synthetic rubber. I believe a government-owned company, the Polymer company, has been formed, but I do not think it is anywhere near production. This is something to which a great deal of attention ought to be given. The work in this connection will have to be speeded up. Let there be a lot more drive put into it. We cannot wait six months or a year in order to get synthetic rubber. It seems to me that here is a full-time job for the best minister the government can get, and I suggest that the present Minister of Munitions and Supply should be placed in charge of production. There should be left to him the task of speeding up production if it is humanly possible in the different lines pertaining to Canada's war effort.

I make these suggestions in the best of faith. I ask the minister if everything that can be done is being done, if the complaints made by men who work in these factories have any justification in fact. I should like to ask what steps the government proposes to take in the near future to put the aircraft industry on a full-time basis in order that it may produce more of the planes without which it will be absolutely impossible for the united nations to achieve the victory we all desire.

Mr. HOWE: I may say to my hon. friend in connection with the aircraft industry that if we agreed to level off the industry and call it a day, if we said that this was our maximum objective and concentrated on reaching that objective, we could produce more planes than we are doing. The reason why we are not producing more planes is the fact that we are constantly expanding. We have three plants that are producing nothing at the moment. They are coming in with a new type of plane and will produce eventually. I do not think we have ever stopped adding floor space to the aircraft plants. Incidental to that, we have never stopped expanding the personnel of the industry. I think every week since the war began has seen more workers in the aircraft industry than were there the previous week.

It is impossible when you are introducing new types to streamline the industry. I know my hon. friend is quite a student of production and has probably been to these plants, but I can take him to plants which he would call streamlined where every man's work is balanced against every other man's work. Every man putting in a full day's work can balance out the production of the plant. I am sorry to say that that has not been possible in the aircraft industry. There are a great number of learners in this industry, and the absorption of these learners slows down the general production. The output per man is not as great as it would be if we levelled off the industry and balanced out each man's production.

There are inequalities of that kind; nevertheless we are producing a very respectable number of planes. On the basis of comparative floor space, I would not hesitate to compare our production with that of any other country. I quite understand why people in the industry say that they are slowed down. There may be legitimate cases of that kind, but I would point out to my hon. friend that a campaign is in progress which has emerged from the country to the south. This is a campaign on the part of labour to form labour-management councils. I am not quarrelling with the objectives of that campaign; I am not quarrelling with the methods; but I say to my hon. friend that if he read the press of the United States six or seven months ago, he would have seen the claim made that management was holding back and that the only way to cure the situation was to institute management-labour councils. That campaign has been brought over here holus-bolus and is now being carried on. I do not object to it, but I think my hon. friend, when quoting letters of that kind from labour organizations, should bear in mind that this campaign has that objective in view.

Mr. DOUGLAS (Weyburn): Does the minister think that is the only objective?

Mr. HOWE: No; I think that is the principal objective of the campaign. I do not think that fact is serious enough to warrant the publicity it has been given.

Mr. DOUGLAS (Weyburn): Does the minister think they are not genuinely interested in increasing production?

Mr. HOWE: I believe they are, but I think the concentration on that particular phase of the thing is too true to form. Quite often I sit down with labour groups. I sat down with one in Windsor a few days ago, and I sat down with one in the House of Commons just recently. I sit down with these groups almost every week, and the story is exactly the same. In Windsor it was the automobile industry. I hear the same thing about the aircraft industry and about the gun-making industry. As I say, the objectives of this campaign are quite legitimate and I have no objection to its succeeding. In fact, in a quiet way I am willing to help, but I do not think it is my problem.

The aircraft industry is probably the most vulnerable for the reasons I have given. It is an industry that is being expanded tremendously. We have orders on our books for well over 10,000 planes; I think it is more like 15,000 planes to-day. We must expand the industry farther to fill these orders. Not only is the number of planes quite high, but larger and more difficult types of planes are being produced. As my hon. friend knows, back of the industry itself is a great multitude of plants making components which will also have to be expanded. All these parts must flow into the aircraft plant in a uniform way to bring about streamlined production.

Mr. DOUGLAS (Weyburn): Could the present plants work more shifts, or is there a lack of raw material?

Mr. HOWE: They can when we get levelled off, when we get uniform production. If they are working on a standard order there is an unlimited scope. Some plants are; some plants are not. For example, Noorduyn has a standardized plane and is working on a very large order. I hope that the whole industry can get on a three-shift basis in a reasonable time. But National Steel Car and de Havilland are changing to different types of planes and it is impossible for them to do it.

Mr. MacNICOL: For the very simple reason that the companies manufacturing the component parts cannot begin to manufacture until they receive the templets.

Mr. HOWE: Yes, it takes a long time to get templets made and distributed back to the parts industry. No plane has ever been brought into production in any country in less than a year or fifteen months, and while the change is being made there is a disorganized period, finishing up odds and ends. We are now in the process of changing over to make parts for the new planes and, in such a period, production drops. The period of disorganization is longer with some managements than with others, depending upon the type of management. Some managements are more expert than others.

Mr. DOUGLAS (Weyburn): Canadian Car and Foundry have an order for a standardized plane?

Mr. HOWE: No. They are changing from the Hawker Hurricane to a new type of dive bomber. The production of the Hawker Hurricane is tapering off, and parts for the new dive bomber are being manufactured, but it will not be assembled as a plane that can be flown for a good many months yet. In the meantime, there will be a gradual tapering down from one kind of production, and a gradual stepping-up in the production of a totally different type of plane. That is the nature of the industry. It is not a streamlined industry such as our gun industry, where we are working four shifts a day, three shifts and a swing shift to take up the seven-day week. The tools are being worked every hour of the seven-day week. That is incidental to the gun industry.

All I can say is that we have developed good management in the aeroplane industry. My hon. friend will remember that there was no aircraft industry in this country at the beginning of the war. Every man in a management position in our aeroplane industry, with very few exceptions, is new to the industry. We had very little background in this type of industry. Nevertheless we have developed top-notch production men in the aircraft industry and top-notch designers, but they have been developed over the last two or three years. It is an industry apart. I make no great claims for it.

I will not deny that there may be people putting in time at the factory who may not be usefully employed because their section is ahead of some other section. If it was peacetime such a condition might lead to lay-offs in the aeroplane industry, but when the industry is carrying the men it can tell them frankly that their section is ahead of another section; that that is holding up the assembly, and that they had better ease down a little. That may happen. When it happens, it is not done with any idea of slowing down production as a whole or anything of that

kind. It can happen where a change-over is taking place and a new plane is coming into production.

Mr. JOHNSTON (Bow River): That is what I was pointing out to the minister the other day.

Mr. HOWE: I know my hon. friend knows a great deal about production, having been in it most of his life, but this time I am making a statement.

Mr. JOHNSTON (Bow River): I was simply pointing out that the minister objected when I gave the very same explanation the other day.

Mr. HOWE: I think I have covered the aeroplane industry now. I am probably the goat of the industry, but I think, as the months go by, the people of Canada will be more and more pleased with the output of the industry. We could have closed the door on expansion six months ago and had a very satisfactory industry to-day, with plant on a three-shift basis and production coming out in a streamlined way, but we have tried to keep abreast with new developments in the war and take on new types of production rather than go on making planes which were becoming obsolete. We are making the changes as fast and as efficiently as we can.

My hon. friend spoke of dividing my job. I would give three cheers for that. I would like very much to have less work. But the tendency in all countries is not to divide up, but to centralize. My hon. friend has followed the progress of events in Great Britain. He knows that they have three supply ministries and that they recently appointed a ministry of production to coordinate the work of the other three branches.

Mr. DOUGLAS (Weyburn): Production and supply are separate in Great Britain.

Mr. HOWE: The three supply ministries are subordinate to the minister of production, who is a coordinating officer; the same has happened in the United States. The United States had separate agencies for army and air and for the navy and for the navy air arm, and it was found that they were competing in the same factories and that there was conflict. Then the office occupied by Donald Nelson was set up as a coordinating office with complete authority over all procurement. There is a reason for that. The work of procurement and production is subdivided. But to have authority divided leads to disorganization. There is a great advantage in having all production procurement centred in one office. My method has been to subdivide the work under me as often as it has seemed necessary, and to delegate as much work as possible. I am busy enough, it is true, but I do not know that I am doing more work than a good many other people in this country. I can say to my hon. friend that the reason why the work of procurement is not divided is that it would mean a loss of efficiency.

Mr. DOUGLAS (Weyburn): I thank the minister for the explanation he has given. I appreciate it very much, but he did not have to intimate that I was a student of production. He was either pulling my leg or being sarcastic.

Mr. HOWE: My hon. friend was very nice to me, and I thought I would be very nice to him.

Mr. DOUGLAS (Weyburn): I did not appreciate his either pulling my leg or being sarcastic. The explanation given by the minister is the kind of statement which, it seems to me, does serve a useful purpose because when the men in these plants are not being utilized to the full, the impression gets around that this thing is a racket. That is how they talk, and some explanation of why they are idle ought to be forthcoming. I do not know anything about production, it is true, because a member of this house cannot be a student of everything that comes within the departments of all the ministers, but it is the duty of a member of this house to bring these matters to the attention of the minister so that he can make the kind of statement he made to-night. I do not think the minister ought to pull anybody's leg or be sarcastic about members being students of production all their lives.

Mr. HOWE: I did not intend any sarcasm. My hon. friend has shown a great interest in production.

Mr. JOHNSTON (Bow River): The sarcasm was intended for me.

Mr. DOUGLAS (Weyburn): I did not take any offence. I want to thank the minister again for his statement, and if statements of that kind were made more often it would be of great value to the country. The explanation is that there is a tapering-off from one type of production so that the plant can move into the production of another type of plane because some of the older types have become obsolete. But in the case which the minister mentioned at Fort William, that is a plane which, I understand, is still in use—the Hawker Hurricane.

Mr. HOWE: Yes.

Mr. DOUGLAS (Weyburn): What is the object in making a switch there? Men who have done some reading along the line of aircraft production say that one of the things that got Great Britain off to a bad start before the war was the fact that, whereas Goering went into mass production of Messerschmitts and probably produced inferior planes but produced them on a standard line, the British constantly kept changing their designs, which meant long periods of delay. Is there a danger of us doing that here? Is a lot of this switching necessary? Is it necessary to be constantly changing some of the types? Are we reducing the number of types and trying to get down to two or three standard lines which could be produced on a steady basis, rather than making these constant switches which, as the minister has said, must entail periods of non-production?

Mr. FRASER (Northumberland): That is the first change which has been made.

Mr. HOWE: The reason why we are leaving the Hawker Hurricane for another plane is that our air force demands the best and the Hurricane is getting out of date. To-day there are much better fighting planes, faster and more manoeuverable planes, than the Hurricane, and I think it is desirable not to maintain in production an obsolescent type. It is true that far more planes would have been produced by this time if the British had kept to pre-war types, but I would point out that by getting more advanced types they have gained control of the air, and gained it at a time when they undoubtedly had fewer planes than the enemy. I certainly have to accept the judgment of the operational forces as to the type of planes which we should produce.

Mr. REID: I have a question to ask regarding the manufacture of steel. We know that steel is in great demand these days. The last time I visited Trail smelters I noticed they had a mountain of what looked like good material if it were smelted down and perhaps manufactured into steel. This was the residue from their mining operations. I do not know how many tons would be there, but it seems to me that the mountain they had was about a mile long. Has the minister had any report regarding the great mountain which they have there and which I believe they are willing shall be used?

Mr. HOWE: I have no report on it, but I think there would be transportation difficulties in the way. The equipment necessary to turn ore into steel is very rare. We have only three places in Canada with sufficient equipment to take ore of any kind and make finished steel from it—Sault Ste. Marie, Hamilton and Sydney, Nova Scotia. While I have no knowledge of this particular situation, I assume the transportation difficulty is there. I will, however, make inquiries.

Mr. REID: I believe that it is worth looking into. I am under the impression that it could be smelted there, and there is sufficient to warrant the installation of a small smelter.

Mr. MacNICOL: In Great Britain they design planes. Their engineers design a new plane from experience of their pilots in the air in opposition to planes which have been designed in Germany or elsewhere. In the United States also they design planes. In Canada we do not do any designing; we make only what has been proved to be satisfactory in Great Britain. Is that not one of the main differences between conditions of aircraft manufacture in Canada and Great Britain? So, when we undertake to make a type of plane which has been proved to be satisfactory in Britain, our companies first have to make their blue prints, of which there may be 20,000 or 25,000 for one new design; then they have to adjust their tools to suit that work, or retool, and arrange for all the component parts involved in the new design. But we do not really design any new plane in Canada in the sense that they do in England—for instance, a Lancaster.

Mr. HOWE: Please do not mention the names of new planes. We do design in Canada a Fleet-60 which is used for advanced training by the air force. We have designed some very important modifications of planes, but of course the designing industry is new in Canada as it is elsewhere. We have brilliant designers, but they have not the background of experience which is possessed by designers in either the United States or Great Britain. Designing talent is improving month by month, and I think that if occasion calls for the designing of a new type of plane in Canada, we have people here who are competent to do it. I may say, however, that when we take a British or even a United States design, but especially the former, there is a good deal of redesigning to do to fit Canadian methods. We here are fairly well advanced in mass production, and our methods are different from those in the old country. So we have quite an engineering department in our aircraft industry.

Mr. MacNICOL: What I meant was the new planes.

Mr. HOWE: The Fleet-60 is, I think, the only case of a new plane which was completely designed in Canada.

Mr. JOHNSTON (Bow River): It has been brought to my attention that in some cases where contracts have been given for aeroplane construction, for example, where the government would place a contract for, say twenty-five planes with a company, the plant would get tooled up for that work, and they have represented that they could have made thirty-five planes just as easily—I am using this number as an illustration—in practically the same length of time, but their instruction was to make twenty-five planes and they could not go ahead any faster than that limited order would permit. If, however, the order had been increased they could have manufactured quite a number of additional planes in the same period.

One other point. In the minister's remarks a while ago I think he stated—I am not arguing the point with him—that in some departments of a factory it was possible that the management would require the workers to slow up a little bit. I think that is a fair interpretation of what he said, and it bears out exactly what I was trying to tell the minister the other day, that in some of those places the fellows have come to me and told me they were requested not to do so much work.

Mr. HOWE: But the implication my hon. friend drew was that they were trying to slow down production of the finished article—which is not the case.

Mr. JOHNSTON (Bow River): Whether that was the final result or not is not the point I am now discussing. The point is that these people were deliberately advised to slow down. They came to me as a member of parliament and objected to that, and I think they were perfectly right in doing so. The minister now admits it would be possible in some instances that the management would go to these fellows and say to them that they might not have to work very fast, that if they did they would run out of a job.

Would the minister straighten up the question I asked him about the limited number in a contract? Would these companies be allowed to make five or ten planes more if they could, if they had the material?

Mr. HOWE: When my hon. friend speaks of twenty or twenty-five planes he is talking about pre-war days. Planes to-day are built certainly in the hundreds; I do not know of any contract for less than two hundred that has been placed in the last two years. However, we do build planes to meet a demand. Sometimes we build them without knowing exactly who wants them, if they are a plane in common use. But in pre-war days we used to tool up to make ten or fifteen or twenty planes, when the industry was very small. To-day we place large orders. Any factory that is in production to-day is either working on an unlimited order or is tooling up to make planes for which it will have an unlimited order. Therefore my hon. friend's question is hardly pertinent to the present-day situation.

Mr. JOHNSTON (Bow River): If they are working on a limited order will they be allowed to go over that?

Mr. HOWE: It would depend on whether we thought we could get rid of the planes. We would have to find a use for the planes. We are not flyers ourselves and we do not want the planes to rust. The Hurricane plant at Fort William had an order for 600 Hurricanes; they were coming to the end of the order and I told them to make 400 more. I did not know at the time what do with them, but since then I have found uses for them and now the plant are unlimited in the sense that they can make all the Hurricanes they can until the new plane comes into production. That is the usual situation in our plants to-day. Fairchild has all the work it can do until the end of 1943 and Nooduyn until the end of 1944. These might be called unlimited orders.

Mr. JOHNSTON (Bow River): That is the way it should be.

Mr. HOWE: That is the way it is. Nevertheless, we do get modifications. For instance, there may be modifications interjected into a programme which might slow the plant down for a month or two. That is incidental to war. If actual experience indicates that better results can be obtained through a modification, we have to stop the production line and make the modification; but of course we appreciate the desirability of working without interruption, and we are as anxious to do this as my hon. friend is to have us do it.

Mr. DOUGLAS (Weyburn): If you are on an unlimited order for Hurricanes, could you not get greater production? Is it a matter of trained personnel?

Mr. HOWE: It is a matter of both supervision and trained personnel and organizing the shops behind the assembly plants to feed the material in.

Mr. FRASER (Peterborough West): Are you making any torpedo-carrying planes?

Mr. HOWE: Yes; we are coming into production.

Mr. ROSS (St. Paul's): Is anything being done with regard to duplicating oil pipelines from Oklahoma to Sarnia? I do not quite understand why the notification has been given about no oil for homes. I do not know why it has come so suddenly seeing that a month ago we were told that heating for homes would be all right. Two months ago, I know, several buildings in Toronto were notified to put coal in. I was wondering if something had suddenly happened in the central provinces to make the difference.

Has the minister's department done anything in connection with the study of camouflage for factories and so on, as they are doing in the United States?

Mr. HOWE: We are not building pipelines at the moment. With regard to oil, I was asked a question in the house and I gave an answer which I wish to amplify. Our study of the situation has not been quite completed. There is no doubt in the world that those who have converted coal furnaces into oil burners will be required to convert them back to coal. For the furnace which has been put in as an oil furnace, and which cannot be converted except by removing the furnace and putting in a new furnace, we will, I think, endeavour to find a supply, for the reason that it is not practical to build furnaces and supply them under such circumstances. Here again, every hon. member knows that the oil situation is extremely critical. The best I can say is that a complete statement will be made on the whole fuel situation for next winter in the course of a week or two. In the meantime I should like to amplify the statement I made yesterday to that extent, that an effort will be made to supply the oil installation which cannot be converted to coal.

Mr. BLACK (Cumberland): Will that rule apply to the ferryboat serving between the mainland and Prince Edward Island? It is only within recent months that there was a change over from coal to oil.

Mr. HOWE: The reason why that was done is that it is impossible and always has been impossible to keep up steam with a coal-fire boiler when that boat is working in the ice. It was changed to oil as a measure of security having regard to the fact that there is no standby for this ferry. I do not wish to speak finally on that, but that might be one of the cases where the use of oil as fuel would be considered imperative for the sake of safety. That again is the subject of investigation.

As regards the question of camouflage, we are camouflaging key plants in areas that are regarded by the military authorities as dangerous. That work is going on at the present time.

Progress reported.

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

Friday, May 22, 1942

The house met at three o'clock.

LABOUR CONDITIONS

DOMINION ENGINEERING COMPANY AND MONTREAL LOCOMOTIVE WORKS—CHARGES OF DISCRIMATION AGAINST UNION WORKERS

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, before the orders of the day are called I should like to ask a question of the Minister of Labour to whom I sent notice of my intention to do so. I have a telegram from the Montreal trades and labour council, signed by J. Gariepy. The trades and labour council protests the dilatoriness of the Department of Labour and urges the appointment of a commission immediately to investigate charges of discrimination againt union members by the Dominion Engineering Company and the Montreal Locomotive Works, which have been brought to the attention of the trades and labour council by responsible officers of the Montreal war labour organization production committee. Will the minister give immediate attention to this matter, in order to prevent serious trouble developing in these war industries?

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, I received a telegram similar to the one received by the hon. member, and made inquiries. These are the facts. A telegram was received from Paul Fournier, president of the trades and labour council, Montreal, on May 6, complaining that the Dominion Engineering Company, at Longueuil, Quebec, had dismissed an employee because of labour activities. The telegram was acknowledged on the same day and a Montreal conciliation officer immediately dispatched to investigate the situation. The company alleged that the man was discharged because he stayed away from work three nights without giving a satisfactory explanation. This is the first time we have been asked to investigate this matter through the appointment of a commissioner. We have no knowledge of anyone having been discharged by the Montreal Locomotive Works for the reason

alleged in the telegram just received. I shall be glad, however, to make further inquiries into the matter, and if the circumstances warrant the appointment of a commissioner to investigate the matter I shall be very glad to see that that is done.

BUSINESS OF THE HOUSE

VICTORIA DAY

On the orders of the day:

Mr. J. H. LECLERC (Shefford): Mr. Speaker, is it the intention that the house shall sit on Monday night?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Yes, it is.

PROCEDURE AS TO PRIVATE AND PUBLIC BILLS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Last night the hon. member for Regina City (Mr. McNiven) asked if at an early day it would be possible to consider private bills. There are fifty-two private bills standing on the order paper for second reading, fifty of which are divorce bills. The other two deal with incorporations. I am informed that none of them is controversial. The second readings would in all probability be passed as a matter of course, and the bills would be referred to the private bills committee. The clerk of the house is of the opinion that the matter could be disposed of in about fifteen minutes, as one motion could be made for the second reading of all of them.

Under the circumstances I suggest it might be understood that these bills be taken up at the first hour on Friday, a week from to-day.

Mr. GEORGE BLACK (Yukon): May I ask the Prime Minister if a similar arrangement could be made for the consideration of public bills? With all due respect I think some of them are more important than many of those appearing in the list of private bills.

Mr. MACKENZIE KING: I am afraid they are in a different class. However I shall be glad to have consideration given to the hon. member's request.

HON. WALTER NASH

ADDRESS OF NEW ZEALAND MINISTER TO WASHINGTON AT MEETING OF RECONSTRUCTION AND REESTABLISHMENT COMMITTEE

On the orders of the day:

Hon. GROTE STIRLING (Yale): Has the Prime Minister any observations to make with regard to my suggestion of last night as to Hon. Walter Nash's address?

[Mr. Mitchell.]

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member's observations have been drawn to my attention, and I have considered them. I believe it would be inadvisable to create a precedent which would involve an adjournment of the house to listen to an address being delivered in another part of the building.

TORONTO HARBOUR COMMISSIONERS

DECLARATORY POWERS WITH RESPECT TO DEBENTURES AND BORROWING

Hon. J. E. MICHAUD (For the Minister of Transport) moved the second reading of Bill No. 68, respecting the Toronto harbour commissioners.

Motion agreed to and bill read the second time, considered in committee, reported, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

The house resumed from Monday, February 23, consideration of the motion of the Minister of Transport for the second reading of Bill No. 9, respecting the appointment of auditors for national railways.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Fournier (Hull) in the chair.

On section 1—Appointment of auditors.

Mr. COLDWELL: Where are the explanatory notes for this bill?

Mr. HOWE: Apparently there are none. It is a routine bill to appoint auditors for the Canadian National Railways, and it is passed every year in exactly the same form. I think it was assumed that members of the House of Commons had seen the bill so often that explanatory notes were not necessary.

Mr. MacNICOL: Are the auditors the same as a year ago?

Mr. HOWE: Exactly the same. There is no change of auditors or salary.

Bill reported.

Mr. HOWE moved the third reading of the bill.

Mr. FRASER (Peterborough West): Would it be possible for the minister to have a more complete statement in the auditor's report than we have this year?

Mr. HOWE: So far as I know the auditors are a law unto themselves as to what

they put into the report, but I shall be glad to call their attention to my hon. friend's remarks.

Motion agreed to and bill read the third time and passed.

PETROLEUM

REPEAL OF PETROLEUM AND NAPHTHA INSPECTION ACT

The house resumed from Monday, February 23, consideration in committee of Bill No. 2, to repeal the Petroleum and Naphtha Inspection Act—Mr. Gibson—Mr. Fournier (Hull) in the chair.

On section 1—Act repealed.

Mr. STIRLING: When this bill was before the committee last the minister was not present, no doubt there have been drawn to his attention certain remarks which were made on that occasion by the leader of the opposition (Mr. Hanson). The point which he desired to make was that just after the house adjourned last year an order in council was passed doing away with the operation of the act, and he expressed regret that so shortly after the adjournment of the house the government had seen fit to take that action. The bill now before the committee is simply for the purpose of repealing the whole act, and we would raise the contention that as long as the proclamation runs for the use of the War Measures Act, ample power is in the hands of the government to do anything it wishes. But when the proclamation ceases, in effect we shall then be in the position where we shall be without an act of this description. The act provides for the placing of a considerable number of powers in the hands of the government, and the question arises whether there are other dominion acts under which the government can control the storage, importation, refining, inspection, licensing and so on of petroleum products. Would the minister explain how he contemplates carrying on these most necessary functions after the War Measures Act has ceased to be used for this purpose and after this act has been repealed, and does he not consider that instead of repealing the whole act it would be preferable to amend sections in it to have them meet the usages of to-day?

Mr. GIBSON: Mr. Chairman, when this bill was before the committee earlier in the session I was unable to be in the chamber, but I understand that at that time the leader of the opposition raised several points with which I should like to deal to-day. First of all he referred to sections 3, 4 and 5 of the act being repealed, and he expressed the view that some competent authority should provide regulations concerning the importation, transportation and storage of petroleum products. At that time he took the view that this act was being repealed because the oil controller had practically unlimited powers to deal with the petroleum industry, but that is not the reason why this act is being repealed.

When the original act was passed in 1877 there were no regulations governing the petroleum industry, and it was considered desirable that some regulations should be provided to control the petroleum producers. Since that time the essential provisions of the act have been largely duplicated and superseded by provincial legislation, municipal by-laws, the Customs Act, the customs tariff and regulations of such bodies as the board of transport commissioners, the national harbours board and various fire marshals. I should like to read an extract from the report of the dominion fire commissioner presented at a national conference which was held in connection with the regulation, control, transport and storage of flammable petroleum products. At that time he stated:

> For more than a quarter of a century the dangers incidental to the use of gasoline have been recognized in restrictive legislation. The dominion within its limited jurisdiction, the provinces under general powers, the municipal authorities, the railway companies, the insurance interests and the petroleum industry itself have, each and all, prescribed rules and regulations for the transportation, storage and handling of this flammable product.

As a result of the regulations which had been enacted under authority of provincial and municipal laws and by-laws, the provisions of this act became entirely outmoded. I am informed that there is no essential requirement of this act that is not being dealt with by some competent authority.

With regard to the suggestion that this act should not have been suspended by order in council, I might add that when it came to my notice that the act was entirely outmoded I did prepare a bill for introduction at the last session of parliament. But it was not considered an important bill; the session went on until about the middle of June, and it was decided that no further legislation should be introduced at that session. In order to carry out the provisions of the act an annual expenditure of about $25,000 is required, together with the services of employees who are very much needed in other branches of our customs work. Under the circumstances the government passed an order in council under the

provisions of the War Measures Act suspending the operations of the act until such time as a bill could be brought in to repeal it. I do not think anyone has paid the slightest attention to the matter during the interval since the act has been suspended, and certainly no one has been inconvenienced.

Mr. COLDWELL: A good many things were done under this old act which is now said to be obsolete, and in view of the present oil situation and the necessity for securing the greatest possible supplies of oil I should like to bring to the attention of the committee a matter which I believe should be dealt with under a bill which has to do with petroleum products, and which I think is related to the bill now under discussion. Only to-day I received from Sudbury, Ontario, a copy of a resolution passed by Indians on Manitoulin island relating to petroleum leases and capped oil wells located there. They point out that all records of these leases have been lost; that they cannot get any information from the local Indian agent; that there is very little record among the surviving Indians as to what took place, except that the chief of their band at that time signed some leases and outside capital did some drilling for oil prior to the last war. There are several wells capped, and for years there has been oil seepage on these lands, so the Indians are sure valuable oil wells can be developed there. I also have a copy of a letter by Doctor H. W. McGill, of the Department of Mines and Resources, who says:

> . . . it is presumed that reference is made to the petroleum and natural gas mining rights which were granted by letters patent in 1909, under the Great Seal of Canada, to Philomine Poirier, of Shediac, New Brunswick, and the Great Northern Oil Company Limited, and subsequently transferred to other parties. These patents cover some 60,000 acres of the unceded reserve, and although no development has apparently been attempted in the intervening period, this department has not the right or authority to lease or dispose of these petroleum and natural gas mining rights to other parties.

It seems to me that in the present circumstances we need on the statute books a petroleum act which will deal with this very important natural resource, perhaps in a different way from that in which the act that is now said to be obsolete does. Why should companies be able to cap wells and keep them capped, sometimes for many years, as in this particular case, while the government apparently has no power either to transfer the leases to somebody else or to compel certain work to be done to develop such oil reserves? Of course I know perfectly well that our legislation regarding property is designed in the interests of property owners, and we have gone far beyond the old idea that the right of a man did not go beyond the tilling and possession of the surface. But we have also ceded valuable rights which from time immemorial have belonged to the Canadian people; and I seize this opportunity to bring this matter to the notice of the Minister of Mines and Resources as well as the minister in charge of this bill, in order that this and other similar cases may be investigated. I believe we should at least give the Dominion of Canada, in view of the circumstances now existing, the right to deal with companies and corporations who are holding valuable resources, including petroleum, without allowing the country to reap any benefit from them. It is about time we revised our laws regarding leases and the right of companies to prevent the use of resources which properly belong to all the people and which are of vital importance to the nation.

Mr. MacNICOL: I want to follow on from where the hon. member for Yale left off. If I understood him aright he suggested that this act should not be repealed but that a new bill should be drawn up and introduced, if not now, then some time later, and from what the minister said I gathered that he had this in mind a year ago.

Mr. GIBSON: Not to draw up a new bill.

Mr. MacNICOL: What was it the minister said?

Mr. GIBSON: I was going to ask for the repeal of this bill a year ago.

Mr. MacNICOL: And not draw up a new one?

Mr. GIBSON: No. The reason for not drawing up a new bill is that the control of petroleum products is a matter coming largely within the jurisdiction of the provinces and that jurisdiction is being exercised. Consequently there is no need for such a bill.

Mr. FRASER (Peterborough West): I do not agree with the minister at all; this act does not deal entirely with matters now under the jurisdiction of the provinces, because it deals with the inspection and checking of the qualities of oil and naphtha. If that provision is done away with, how can we be sure that we get what we pay for? The various provinces may have different laws, and we might have different kinds of oil and gasoline throughout the country. I realize that at the present time the Minister of Munitions and Supply has absolute control over oil, gasoline and everything else, including even the clothes we wear. But after this war is over we want to know that we

got what we paid for, and I honestly feel that the act should be redrafted. Of course it is entirely out of date now; it mentions coal oil and naphtha street lamps, though we may have to come back to those before the war is over. As I say, however, the act is out of date at the present time, and I feel that it should be sent to a committee or be redrafted by the department and a new bill introduced. The act should not be simply repealed. I took this stand on February 23, when the matter was before the house previously. If the act is simply repealed it will be like throwing off a coat; we shall be left without a cover. The minister said that it cost the country about $25,000 to administer the act, but that $25,000 is well spent if we get what we are supposed to get in connection with oil and gasoline.

Mr. MacNICOL: Perhaps I might go on from where I left off. The minister says that the whole matter is under the control of the provinces, but one area, which I hope may become one of our most important, is under federal jurisdiction. That is the area at Fort Norman, in the Northwest Territories. There is every prospect that the area to which I refer may be very largely developed. A day or two ago I had a letter from a former Hudson Bay factor who is well acquainted with that area, and he stated that in his opinion there is a large oil deposit, so far untapped, in the vicinity of Mackenzie river, north and south and east and west of Fort Norman. I had a letter from another geologist who has been in that part of the country, who made a similar statement. Therefore that oil, which may develop into something important, is under the control of the federal government.

I should like to add something to what was said a moment ago about leases. This has to do with land in northern Alberta which was formerly under the control of the federal government, but latterly has been turned over to the province. There were a number of very valuable oil leases on the Peace river and several wells were drilled near the town of Peace River, presumably under leases granted by the federal government. Who owns those leases now?

I have said here before, and I say again, that in any new bill of this kind a limit should be placed upon the duration of leases. I am altogether opposed to granting to any individual or company leases which will last indefinitely; there should be a provision whereby in default of development the property reverts to the crown. That, of course, cannot apply to the property of the province of Alberta, but it should be applicable to oil leases hereafter granted in the Mackenzie river valley or anywhere in the Northwest Territories. Evidences of oil are to be found along the Hudson bay, in the Northwest Territories. If there is no federal measure to control the leasing of lands in that territory, by what method will they be controlled?

I strongly support the contention of the hon. member for Yale that the act, instead of being repealed, should be kept in force until after the war. In any event at the present time the government have all the power they require. Then, after the war, will a new petroleum and naphtha inspection bill be brought before the house? I assume that any new enactment should be broad enough to include gasoline, diesel oil, fuel oil, and the rest. At the time the original act was drawn, in 1877, probably gasoline was a waste product, having no value. To-day it is the most important product from the distillation of oil. It is the first off; kerosene is second, naphtha third, fuel oil fourth, diesel oil fifth; and lesser oils, I suppose, follow after that. I think the hon. member for Yale has made a suggestion to which the minister should listen.

Mr. GIBSON: This act, of course, does not deal with leases or with the production of oil. It provides for handling at the refinery, and—

Mr. MacNICOL: There is a refinery at Fort Norman.

Mr. GIBSON: Yes. I say that the act provides for inspection at the refineries. At one time it was necessary to prevent gasoline from being mixed in with coal oil for illuminating purposes, and, gasoline being a by-product, that sometimes occurred. But since the advent of the internal combustion engine every effort has been made to secure gasoline for the purposes of automotive power, with the result that the refiners themselves are taking every possible means to see that the gasoline is produced for the purposes for which they require it, and very careful tests are being made by the refiners themselves. While we have our officers there they are simply duplicating the tests which are already being made in the interests of the refiners.

In addition to that, the provincial governments have very long lists of requirements. I might quote briefly from provisions contained in the Gasoline Handling Act of Ontario to give some indication of the supervision, particularly that which is exercised by that province. I will not read the items in full, but under the provisions of section 12 of that act:

The lieutenant-governor in council may make regulations,—

(a) providing for the appointment of . . . inspectors, . . .

(b) providing for the issuing of licences. . . .

(c) prescribing the records and books . . . to be kept. . . .

(d) providing for the making of returns. . . .

(e) exempting any person or class of persons from the operation of . . . this act;

(f) requiring that all gasoline stored or offered for sale in Ontario shall be graded according to such scale as the regulations may prescribe;

(g) requiring importers, manufacturers, jobbers and vendors of gasoline to indicate the grade and price of gasoline offered for sale;

(h) fixing the grade or quality of gasoline which may be offered for sale;

(i) providing for the sealing of pumps, tanks, reservoirs and other containers of gasoline;

(j) prescribing the construction, equipment and operation of conveyances and containers used for the transportation and storage of gasoline, kerosene and distillate;

(jj) prescribing the method, manner and equipment to be used in the handling, storing, selling and disposing of gasoline, kerosene and distillate.

(k) providing for the holding of inquiries into the operation of this act. . . .

(l) generally for the better carrying out of the provisions of this act.

That indicates the amount of control which is now being exercised by a province. To have the dominion duplicate the control is an unnecessary expense, one which is serving no good purpose.

Mr. MacNICOL: In relation to, say Fort Smith on the Slave river in the Northwest Territories, which as yet is only a very small community, there are motor cars there, but what distance they can travel I do not know. I motored over some of the roads in the immediate vicinity of Fort Smith. Will there be an act on the federal statute book to control matters such as the minister has just read, and which now apply in provinces, in the Northwest Territories?

Mr. GIBSON: I understand that these matters can be regulated under the provisions of the Northwest Territories Act. In addition, those refineries will come under the provisions of the regulations of the board of transport commissioners, which deal exhaustively with the transportation of petroleum products.

Mr. MacNICOL: Suppose someone wishes to drill for a well in the Northwest Territories, or Baffin Land, where there are large coal deposits, and probably oil deposits; to whom would he make application for a licence to drill or to produce?

[Mr. Gibson.]

Mr. GIBSON: I assume it would be to the council of the Northwest Territories that he would make application or pay any licence fee payable.

Mr. MacNICOL: Does the act which pertains to the Northwest Territories cover everything under the Petroleum and Naphtha Inspection Act as it now exists?

Mr. GIBSON: Well, I have not studied the Northwest Territories Act, but I know they have power to bring in any regulations which they deem necessary to safeguard the people of the Northwest Territories.

Mr. FRASER (Peterborough West): I am pleased that the minister read the Ontario regulations, because this proves what I said before. If there are regulations in each one of the provinces, what assurance will the people have that they are going to get the same grade of gasoline, oil and petroleum products throughout the country? At the present time I understand there is uniformity in the grading of gasoline and oil from coast to coast, but if this act is repealed we shall have one grade for Ontario, another for Quebec, another for Nova Scotia, and two or three grades in the west. That is why I feel that the federal act should remain in force so that the people of Canada will be protected under it, because, as the minister said, it carries penalties and regulations covering inspection. That is why I say it should be revised and reenacted.

Mr. STIRLING: The minister appears to be quite satisfied in his own mind that the powers contained in this act are in the hands of other authorities. I can follow that argument with regard to some of these powers, but it still appears to me that such questions as storage and perhaps importation should remain in the hands of the dominion government. It is possible that under the Customs Act he has full sway over importation, but in the case of storage I am not so sure. The great distributing companies import their crude and first of all they have to store it. There are very considerable expenditures of capital on the shores of both oceans and on islands, and it would seem to me very desirable that the control of storage, for instance on the Pacific side, should remain in the hands of the dominion government. From the point of view of regularizing the methods of storage and overseeing the carrying out of all kinds of storage that are permissible, it would be desirable to have that in the hands of the dominion rather than leave it to the different views which may be held in the various provinces.

Mr. GIBSON: In regard to dominion regulations over importation, that is covered by the customs regulations, as respects one part, and the regulations of the various dominion harbour boards where petroleum products are imported by water. At the same time, importation by rail is controlled by the board of transport commissioners; consequently there is dominion control over importation. When it comes to storage, while I do not want to be unduly modest, I do think that perhaps the members of the different harbour boards have more knowledge of what the regulations should be than I could have here in Ottawa.

Mr. STIRLING: Of course, storage is taking place outside the domain of the harbours.

Mr. GIBSON: Yes. I will come to that. So that where any petroleum product is stored in harbours it is dealt with by the regulations of the harbour boards; and the regulations under this act are not applicable where municipal by-laws exist providing special regulations for storage in cities and towns. Consequently, in cities and towns, by-laws have been provided and the provisions of this act do not apply in such cities or towns, so that it is of little real value from that point of view.

Mr. FRASER (Peterborough West): When I spoke on February 23 I mentioned the fact that aeroplanes in Canada and the United States are using 100 octane gasoline. After this war is over it is most likely that automobile engines on this continent will be using 100 octane gas—that is, the new engines made. That gasoline is just as powerful as any explosive made to-day. We have an explosives act, and I am afraid that if you do not keep this act you will have a good many accidents and the minister will be sorry he ever threw it out.

Mr. GIBSON: If what my hon. friend says is true, any enactment that might be necessary could be brought in dealing with situations that might arise of that sort. At the present time, however, these matters are regulated by the provinces, and it is only duplicating provincial jurisdiction for us to have on our statute books an act which duplicates a provincial act.

Mr. COLDWELL: One thing disturbed me when the minister was speaking. He said that most towns and cities had by-laws governing this matter, but he did not say that all towns and cities had such by-laws. Is it compulsory under any statute for a municipality to enact by-laws dealing with the matters that are repealed under this particular bill? If not, then the member for Peterborough West (Mr. Fraser) is perfectly correct in his contention that we may be sorry we have repealed the dominion act.

Mr. GIBSON: Each province has a fire marshal, and there is the dominion fire commissioner. He calls them together and I believe he coordinates the work that they do. Each provincial fire marshal draws up suggested regulations for the prevention of fires and explosions, and these are incorporated in municipal by-laws. I cannot say that every individual town has adopted these by-laws, but I know that that is what the provincial fire marshals endeavour to have carried out. The object is to have by-laws enacted in each of the municipalities for the prevention of fires and to safeguard the handling and use of flammable material.

Mr. DIEFENBAKER: The explanatory note says that practically all the operative provisions of the act have been superseded by other acts and regulations. Could the minister furnish the committee with information as to which sections are not now superseded by other acts or regulations? Secondly, having regard to the fact that the entire act is being repealed, the utility of which has been proven over the years, I should like to know how many prosecutions for infractions of this act have taken place during the past five years. One could then conclude whether or not the act is a dead letter, or what the reason is for its repeal at this time. If the act has been used during the past five years, if penalties have been imposed for the infraction of various sections of it, then a further explanation by the minister would be necessary as to the reason for complete repeal of the act.

Mr. GIBSON: I understand that the act has been practically inoperative for the last twenty years, with the exception of the collection of licensing fees by the Department of National Revenue and the tests carried out at the refineries. There are at present fifty-one refiners in Canada. We have to provide an inspector to make tests at each of these refineries, duplicating the tests made by the refineries themselves; and samples have to be analysed, and so forth. I do not know of any prosecutions that have been laid under this act. Beyond these tests that are being made the act has practically been out of use for, I understand, about twenty years.

Mr. DIEFENBAKER: That still does not answer the question. It is too general. I should like to have information as to how many prosecutions, if any, have taken place under this act. Prosecutions would not arise necessarily in connection with inspections; there are many other types of penalty imposed for other offences, and I should like that information, which could be readily procured by the minister.

Mr. GIBSON: I have just procured it. I understand there have been no prosecutions in the last five years.

Mr. FRASER (Peterborough West): When this war is over we shall probably have a great influx of tourists. If these tourists come to Ontario, their carburettors on their motors will be set at such and such a point. They go into Quebec, get a different grade of gasoline and have to change the carburettor again, and that will be the condition right across the country. That is why I say that this measure should remain in effect so that this government may have control over gasoline, oil and petroleum products and that the grade will be uniform.

Mr. GIBSON: I should think any province that wants to encourage tourist traffic would provide regulations that would ensure good gasoline being provided to tourists.

Mr. FRASER (Peterborough West): Yes; good gasoline is all very well; we are supposed to get good gasoline now, but there is grade 1 and grade 2, and both grades are different from what we used to get. For the gasoline we are using at present you have the carburettor set at one town; then you go to another town and have to set the carburettor again. Of course at present we are so short of gasoline that there is little automobile travel, but even if you drive around town, the carburettor has to be adjusted all the time.

Mr. GIBSON: These measures, of course, have been brought in under the War Measures Act as a war necessity. I think the provinces would try to set their standards after the war, when there is no war necessity, to have similar standards for the whole country.

Mr. MacNICOL: I am not clear yet as to control in the Northwest Territories. The present act covers the whole of Canada, including the Northwest Territories?

Mr. GIBSON: Yes.

Mr. MacNICOL: How are you going to repeal this act which covers the Northwest Territories? As the minister says, it does not make any difference in the provinces, but still it covers one million square miles of the Northwest Territories. What dominion act will apply to the Northwest Territories?

Mr. GIBSON: The Northwest Territories council is responsible. It has the same powers as any provincial government, and can make such regulations as it sees fit.

Bill reported.

[Mr. Diefenbaker.]

Mr. SPEAKER: When shall said bill be read a third time?

Some hon. MEMBERS: Now.

Mr. COLDWELL: Next sitting of the house. I think we should satisfy ourselves on one or two points that have been raised.

CITY OF OTTAWA AGREEMENT

AUTHORIZATION OF PAYMENT OF $100,000 FOR THE YEAR ENDING JULY 1, 1942

Hon. J. E. MICHAUD (Acting Minister of Public Works) moved the second reading of Bill No. 11, to authorize an agreement between His Majesty the King and the corporation of the city of Ottawa.

Hon. GROTE STIRLING (Yale): Does the minister wish to make a statement now, or in committee?

Mr. MICHAUD: I would prefer to make it in committee, because I understand that several hon. members wish to speak and have statements to make; they can make them all at the same time.

Mr. STIRLING: There are one or two observations I should like to make at this stage. This is a measure that comes before the house every year. For many years it has seemed to me not a desirable way to arrive at an adjustment which has been considered necessary as between the dominion government and the city which is the capital of Canada. It is not an adjudication; it has not been arrived at by any form of arbitration; it is rather in the nature of something which the dominion government holds out to the city of Ottawa and intimates that it may take it or leave it. That does not seem to me to be a desirable way to arrive at what this sum of money should be, if a sum of money should pass. If we are to proceed once more with a bill which shall be debated and examined in committee I think that examination in committee could be better made in the banking and commerce committee than in committee of the whole house. It is almost impossible for me, an individual member of this house, sitting in committee, to possess myself of the very considerable number of facts which should have weight in arriving at a decision as to whether or not I should support this measure.

The financial relations between the city and the government, and the expenditures which the city has to make and those which the government has to make cover a very wide field. I believe I am right in saying that in the last four years properties which have

been expropriated by the dominion government in Ottawa have reduced the assessment roll of the city by somewhere in the neighbourhood of $2,750,000. That naturally has had a distinct effect on the rate of taxation which the city has had to collect for its revenue. I believe it has affected the revenue of the city by as much as $106,000, which, it will be noticed, is $6,000 greater than the proposed grant. But besides that effect on the revenue of Ottawa, the city has also lost an additional $11,000 in business tax revenue. Then there is the question of street cleaning. When property passes into the hands of the dominion government the city does not charge the government the cost of swilling the streets, which is on a footage rate. Then again the city takes the view that its expenditures for fire protection have been increased consequent on the addition of so many wooden buildings.

On the other hand, there are facts which must be given due weight. There is the federal district commission which receives a grant of about a third of a million dollars from the dominion government; there is the expenditure of, I think, $2,750,000 by the dominion government for dominion government properties and lands; there is the further expenditure by the dominion government on the central experimental farm. In these ways there is a contribution to the health and happiness of the citizens of Ottawa in the provision of most beautiful parks. All these factors have to be taken into account, and perhaps the largest of them all is that consequent on the existence of the dominion government in this capital city there is an immense expenditure of money by what we know as the civil service, which money passes through the tills of the various business premises and creates a feeling of business satisfaction of a very large monetary value. All of these are matters to which due consideration must be given in arriving at a decision.

I maintain that it is not possible for us on second reading, and particularly in committee of the whole, to collect the necessary information, and to give it the consideration which must be given, before we can arrive at a decision on the value of this bill. I think a better method should be devised, and it should be devised for one reason, namely that we endeavour to get away from this annual hand-to-mouth arrangement between the capital city and the dominion government. We must endeavour to arrange for an agreement on a basis longer than that of twelve months.

Mr. G. J. McILRAITH (Ottawa West): Mr. Speaker, each year as this bill comes up in the house for discussion there seems to be some uncertainty on the part of some hon. members as to the relevant facts bearing on the relationship between the government and the corporation of the city of Ottawa. Having the honour of representing the constituency of Ottawa West, which comprises about two-thirds of the area of the city of Ottawa, I think it might be useful if I brought certain of these relevant facts before the house for consideration.

There is a little uncertainty as to the exact origin of the claim that formed the basis of the first grant; but it appears that in 1897, as the result of a petition from the city of Ottawa, an arrangement was made which resulted in the creation of the Ottawa improvement commission, and the payment by the dominion government of certain moneys to be expended through that commission.

In 1919 a new arrangement was made on a different basis, and in that year provision was made for the payment of a sum of money directly to the corporation. Later on, in 1927, the Ottawa improvement commission was changed, and the federal district commission was set up.

The grant for which provision was made in the bill now before the house is not to be confused with the provision made for the federal district commission for other purposes. Part of the lands and parks controlled by the federal district commission are within the limits of the corporation, and part of them are in the adjoining municipalities. As I have pointed out, there is some obscurity as to the original claims asserted, and the agreement itself referred to in the bill before the house does not seem to throw much light on this point. It appears, however, that the payment was intended at least indirectly, if not directly, as a payment for the substantial loss in taxes by reason of the exemption of crown properties.

The agreement of 1919, which was the first one providing for a direct payment to the corporation, provided for $75,000 a year. That agreement is set out in a schedule to chapter 15 of the statutes of 1920. In 1925 a new agreement was drawn changing the amount payable to $100,000. In other respects, however, it renewed the agreement of 1919. The 1925 agreement was for a period of five years. From 1930 on, there has been an annual statute, and the agreement has been renewed each year.

There are a great many items which must properly be brought before any body considering a proper and fair allowance. My suggestion as to the best method of arriving at a fair amount is to have the whole matter gone into by a special committee which would hear the detailed evidence of the various depart-

ments of government and city departments. I see no other way of arriving at a satisfactory amount and certainly there are too many factors entering into the matter to permit of arriving at an accurate amount in this house.

I have obtained some tabulated information from the assessment department of the city of Ottawa. In order to understand the basis of what has been done, and to show the inadequacy of the present payment, I suggest it is necessary to have this information before us. I hold in my hand a statement showing for the years 1925 to 1941 the amount of exemption from assessments on lands and buildings of the dominion government, exclusive of the federal district commission, and also the tax rate and the levy equivalent; the same information with respect to lands and buildings of the federal district commission; a statement showing for the years 1920, 1925, 1930, 1935, 1938, 1939, 1940 and 1941 the grants to the city of Ottawa by the dominion government; the tax levies for those years, and the percentages of those levies which the dominion government grants represent. Then, in addition, I have a statement showing the assessed value of properties taken over by the dominion government and the federal district commission for the years 1921 to 1941, both inclusive.

With the permission of hon. members I would ask to have these figures placed on record.

Mr. SPEAKER: That could be done only with the unanimous consent of hon. members.

Mr. STIRLING: I would draw the hon. member's attention to the fact that if this bill is to be disposed of this afternoon hon. members will not have the benefit of that information, unless it is now imparted to the house.

Mr. McILRAITH: I shall gladly do so, if it is the wish of the acting leader of the opposition. It would take some time to refer to all of them, and I had in mind referring to only a few.

Mr. COLDWELL: In view of the large revenues the city of Ottawa is receiving just now, this could be put on the record and the bill read six months hence.

Mr. McILRAITH: I can say to my hon. friend, the leader of the Cooperative Commonwealth Federation, that the city of Ottawa is not receiving anything like the revenues to which it is entitled.

Mr. STIRLING: Might I suggest that the hon. member deal only with the last four or five years.

Mr. McILRAITH: That was what I had in mind.

[Mr. McIlraith.]

For the purpose of illustration I shall take the year 1925. In that year the assessment of dominion government property, exclusive of the federal district commission, was $5,739,875 for land, and $28,234,150 for buildings, or a total of $33,974,025. The tax rate in that year for public school purposes was 31·10 mills. The levy equivalent would have been, on the public school rate basis, $1,056,592. That was the first year in which the payment of $100,000 was made.

In 1941 the assessment of dominion government land, exclusive of that of the federal district commission, was $19,146,925, and that of buildings in the same year was $40,604,750, making a total assessment in that year of $59,751,675. I had not the 1942 tax rate at that time, but it has since been fixed, and it would show well over $2,000,000 payable. The figures for 1940 are land, $18,651,100 and buildings $38,584,784, a total assessment of $57,235,884. The tax rate for public school purposes in that year was 37 mills and the levy equivalent would be $2,117,727. I might say that the separate school assessment rate is something over 7 mills higher for all the years I have given. In each case I have taken the public school rate which is the lower rate by a considerable margin. It will be noticed from these figures that the levy equivalent has more than doubled since this sum was first arrived at. The grant has not been increased in any amount.

Then dealing with the federal district commission, in the year 1940 the assessed value of their lands in the corporation of Ottawa was $3,947,537, and of buildings, $83,350, or a total of $4,030,887. At the tax rate for public school purposes of 37 mills the levy equivalent would be $149,142, or considerably more than the total grant.

Dealing with the assessment value of properties taken over by the dominion government and the federal district commission, we have the following:

1937	$349,450
1938	870,225
1939	651,750
1940	376,725
1941	848,900

It will be seen that there is a continuous loss of revenue each year by virtue of the new expropriations, in addition to the permanent condition that exists. I can give these figures in detail for all the years.

Mr. BOUCHER: Perhaps with the consent of the house the hon. member could file them.

Mr. STIRLING: With the agreement of hon. members, perhaps those might be placed on *Hansard*.

Mr. McILRAITH: The statements follow:

Statement showing, for years 1925 to 1941, the amount of exemption for assessment on land and buildings of the government, tax rate and levy equivalent.

Year	Assessment exemptions			Tax-rate, mills	Levy equivalent
	Land	Buildings	Total		
1925	$ 5,739,875	$28,234,150	$33,974,025	31·10	$1,056,592 02
1926	5,770,725	28,297,700	34,068,425	31·70	1,079,969 23
1927	6,141,525	28,442,000	34,583,525	31·70	1,096,297 90
1928	5,870,725	28,635,059	34,505,784	31·35	1,081,756 33
1929	6,696,925	29,540,209	36,237,134	31·35	1,136,034 15
1930	7,442,125	31,289,359	38,731,484	35·59	1,378,453 51
1931	7,478,125	32,375,559	39,853,684	35·00	1,394,878 94
1932	7,478,025	33,393,609	40,871,634	37·95	1,551,078 51
1933	7,615,150	33,376,309	40,991,459	36·80	1,508,485 72
1934	7,590,025	33,317,459	40,907,484	36·80	1,505,395 26
1935	7,648,800	33,751,659	41,400,459	39·00	1,614,617 90
1936	7,881,725	35,667,509	43,549,234	39·00	1,698,420 13
1937	8,332,375	35,609,209	43,941,584	39·00	1,713,721 77
1938	17,870,900	35,438,309	53,309,209	38·50	2,052,404 58
1939	18,110,750	36,094,159	54,204,909	39·00	2,113,991 45
1940	18,651,100	38,584,784	57,235,884	37·00	2,117,727 70
1941	19,146,925	40,604,750	59,751,675	1942 rate not yet struck	

NOTE.—The tax rate shown is the rate to public school supporters.

Statement showing, for years 1925 to 1941, from date of annual grant by the dominion government to the city of $100,000, the amount of exemption for assessment on land and buildings of the Federal District Commission, tax rate and levy equivalent

Year	Assessment exemptions			Tax rate, mills	Levy equivalent
	Land	Buildings	Total		
1925	$2,079,350	$ 18,500	$ 2,097,850	31·10	$ 65,243 14
1926	2,081,750	20,000	2,101,750	31·70	66,625 47
1927	2,186,250	19,200	2,205,450	31·70	69,912 76
1928	3,720,450	24,700	3,745,150	31·35	117,410 45
1929	3,848,550	17,200	3,865,750	31·35	121,191 26
1930	4,097,925	67,200	4,165,125	35·59	148,236 36
1931	4,112,725	67,200	4,179,925	35·00	146,297 37
1932	4,098,600	81,200	4,179,800	37·95	158,623 41
1933	4,079,150	81,350	4,160,500	36·80	153,106 40
1934	4,080,250	81,350	4,161,600	36·80	153,146 88
1935	4,109,840	81,350	4,191,190	39·00	163,456 41
1936	4,087,290	16,200	4,103,490	39·00	160,036 11
1937	3,647,940	33,350	3,681,290	39·00	143,570 31
1938	3,968,313	31,350	3,999,663	38·50	153,987 02
1939	3,959,688	83,350	4,043,038	39·00	157,678 48
1940	3,947,537	83,350	4,030,887	37·00	149,142 82
1941	3,690,537	83,350	3,773,887	1942 rate not yet struck	

Note: (1) The tax rate shown is the rate to public school supporters.

(2) Figures of 1925 and 1926 are for the Ottawa Improvement Commission which became later the Federal District Commission.

Statement Showing, for the Undernoted Years, the Grant to the City of Ottawa by the Dominion Government, the Tax Levy for these Years and the Percentages of these Levies which the Dominion Government grants Represent.

Year	Grant	Tax levy	Grant in percentage of levy
			Per cent
1920	$ 75,000	$3,207,987	2·338
1925	100,000	4,304,513	2·323
1930	100,000	4,730,106	2·114
1935	100,000	5,840,822	1·712
1938	100,000	6,118,878	1·634
1939	100,000	6,172,525	1·620
1940	100,000	6,181,631	1·617
1941	100,000	5,903,950	1·693

The above figures do not include the old city hall site nor part of Queen street now used for park purposes.

[Mr. Coldwell.]

Assessment Value of Properties Taken Over by the Dominion Government and Federal District Commission

Years 1921 to 1941 inclusive

Year	Total assessment
1921	$ 87,550
1922	718,400
1924	79,325
1927	443,925
1928	960,850
1929	74,800
1930	817,080
1931	12,000
1933	139,425
1934	1,300
1936	27,150
1937	349,450
1938	870,225
1939	651,750
1940	376,725
1941	848,900

The assessment values in the above statement are those of the years in which the properties were taken over.

In the statement showing the assessment value of properties taken over by the dominion government and the federal district commission, the figure for 1930 is $817,080. This figure includes a property which was already exempt from taxation. I refer to the Knox church property, so that the figure would be misleading to that extent. I am sorry I have not the precise information as to the assessed value of this property. As an offset against that, these figures do not include certain properties which were owned by the city and taken over by the government. I have particular reference to the property known as the old city hall site, and also part of Queen street.

Mr. BOUCHER: Now part of the park.

Mr. McILRAITH: All are now part of confederation square park and Elgin street. As I said a moment ago, the taxable real property in the city of Ottawa for 1941 amounted to $157,279,947, and the assessed value of the dominion government real property exempt from taxation—this is exclusive of federal district commission property—is $59,751,675. It will be seen that the dominion government property exempt from taxation by virtue of being owned by the crown is equal to approximately two-fifths of the taxable real property in the city. This perhaps will illustrate, better than anything else could, the seriousness of this situation.

In previous years it has been stated that this was a condition that existed in all cities in Canada, but as nearly as I can find out the assessment figures in other cities do not seem to support that statement. For example, the annual report of the assessment commissioner for the city of Toronto for the year 1941 shows an assessment for all rates of $886,105,856, while the total exemptions amount to only $156,476,799.

Mr. MacNICOL: What is included in the $156,476,799 figure for Toronto?

Mr. McILRAITH: That would be all real property exempt from taxation.

Mr. MacNICOL: Federal government property, Ontario government property, and so on?

Mr. McILRAITH: I take it that it covers federal government property, church property, and so forth.

Mr. MacNICOL: Has the hon. member the value of church property in Ottawa?

Mr. McILRAITH: I have not the value of church property, but I have the total exemptions.

Mr. MacNICOL: What is the amount of total exemptions in Ottawa?

[Mr. McIlraith.]

Mr. McILRAITH: $102,181,163, and of that amount the dominion government exemption is $59,751,675. It will be noted that the exemptions in Ottawa are relatively a very substantial item, whereas those in Toronto are not nearly as large. I have the figures for other cities in Ontario which more or less show the same situation as exists in Toronto. If any hon. member would like to refer to this booklet I should be glad to let him have it. I think it will show that the problem is perhaps peculiar to this city, although it may exist in small measure in other areas.

Mr. STIRLING: It may differ in extent, but not in principle.

Mr. McILRAITH: That is probably the correct way of expressing it, but the extent has become so serious in Ottawa that we feel it is a problem which ought to be dealt with. I do not at the moment suggest that the problem is a simple one that can be dealt with by taking the value of crown properties and assessing them in the ordinary way, because, as was stated by the acting leader of the opposition, there are other considerations that enter into the matter. However, I think it is fair to say that as properties are expropriated the city must maintain practically all the services that it has to maintain when those properties were owned by private commercial concerns. Perhaps there is some difference when it comes to police service, because policing costs of government buildings do not exist as they do in connection with private commercial concerns.

There are two particular services with respect to which the situation is rather serious. There is the matter of fire protection. The contour of the ground in this city is such that the great majority of the government buildings, including the parliament buildings, are on relatively high ground. This involves the necessity of maintaining rather expensive booster stations in connection with the waterworks system in order to provide adequate fire protection. I believe that this was the reason for the construction of a booster station in Ottawa in 1912, and at the time the parliament buildings were destroyed by fire, during the last war, the fact that this booster station had been erected contributed greatly to the saving of the library of parliament. With the added fire hazards due to the erection of the new wooden buildings, quite a substantial burden has been cast upon the city, and as a result the fire department must be maintained at a higher degree of efficiency than otherwise might be necessary. There is another item, small perhaps but nevertheless worthy of consideration. As these new build-

ings are completed it becomes necessary to install additional fire hydrants and other water facilities, and this has become quite a substantial item during the last few years.

Then there is the whole question of the supply of water. Under the present agreement the city supplies without charge all the water used on the grounds of the government buildings; water for street cleaning; all the water used on the parks and driveways within the limits of the corporation, and so on. In 1939 the estimated cost of supplying this water was placed at an amount in excess of $30,000. Since 1939 there has been a very substantial increase there also. With respect to water supplied for use in government buildings, the government makes payment. The water rates now being charged had their origin in the agreement of 1920, to which I previously referred. In 1932, following the installation by the city of a new water plant, those rates were increased. The present rate is 16·25 cents per thousand imperial gallons up to 200,000,000 gallons, and 12·5 cents per thousand imperial gallons for water in excess of that amount. This basis of payment is lower than that charged to private commercial users of water in the city. The water rate on any commercial property is determined on the assessed value of the property, with a meter rate for the excess. That commercial rate is ten and a half cents per thousand cubic feet, which amounts to 16·82 cents per thousand imperial gallons. The only year for which I have figures in connection with water supplied to government buildings is 1939. In that year the amount paid by the dominion government for water was $45,808.77. Had the government paid for this water on the same basis as a commercial user in the city, it would have had to pay $123,213.75, or perhaps a little more if there should be any excess in some buildings.

I think it is clear, therefore, that in addition to the water being supplied free under the agreement, to the value of something over $30,000, the water used in the buildings is paid for at a rate which would appear to be below the actual cost, and if paid for at the ordinary rate the difference would amount to more than the entire grant of $100,000. In other words, if the city sold the water to the dominion government at the rate it charges private commercial users, the government would have to pay for the water alone $100,000 more than it now pays.

Mr. STIRLING: Is the total quantity greatly in excess of the 200,000,000 gallons which carry the 16·25 cents rate?

Mr. McILRAITH: I have not the precise figure, but the average rate for 1939 was 15·5044 cents per thousand gallons. I believe the amount used was almost twice the basic figure.

There are, of course, certain compensating factors which have been mentioned and I think the residents of Ottawa are duly mindful of them. We do not attempt to overlook them or in any way pass them by, but at the same time I think the few figures I have given indicate the complete inadequacy of this amount, and moreover they tend to show the impossibility of dealing with this matter in an ordinary bill each year. Last year, when this measure came up for discussion, I took the position that while the amount was very much too small, because of the war situation and the urgent need of money for war purposes I was willing to acquiesce and let the bill pass. That is still my position, but I think it only fair that a committee should be set up to put this whole matter on some proper basis, so that the city may receive proper compensation and private taxpayers may not be required to carry an unfair burden. I would ask that the government take steps to have this done at the very first opportunity.

Mr. G. R. BOUCHER (Carleton): I am very glad of the opportunity to say a few words on the principle of this bill, and to add to what has been said by the acting leader of the opposition as to the gigantic problems that have to be faced in connection with the services rendered by the city. There are, of course, corresponding advantages to Ottawa in having the capital of Canada located here. I am sure the people of Ottawa take second place to none in civic pride and I do not think any hon. member of this house, or anyone outside the house, would express anything but pride in the location, the efficient operation and the careful maintenance of this capital city. May I point out some of the advantages to Canada in having its capital in other than an industrial centre, located as nearly as possible in the centre of the dominion, in a particularly scenic portion of the country.

Mr. REID: The hon. member would not say it was very central, would he?

Mr. BOUCHER: The hon. member for New Westminster doubts the generally central location of our city, but possibly when he gets beyond the mountains he loses to some extent his sense of direction, so that I shall excuse him. Having the capital in the city of Ottawa is, of course, a great advantage to the people of Ottawa. There are here all the members of parliament; it is the seat of government and its departments, and there is a large number of civil servants, of whom we in this city are very proud.

Mr. POTTIER: The mayor doesn't seem to be.

Mr. BOUCHER: I might also mention that we have a mayor who is honoured and respected not only by the citizens but by all hon. members of the house.

Speaking for a small portion of the city I would express on behalf of my people our appreciation of having the capital here. I might personally extend appreciation to several members of the cabinet who, seeking the finest portion of Ottawa in which to maintain their homes, have located in the riding of Carleton. Apart from its advantages as the capital city, the location of Ottawa is such that it is suitable for a very fine industrial city. We have probably the cheapest power in the world, certainly the cheapest on the north American continent.

Mr. COLDWELL: Except Winnipeg.

Mr. BOUCHER: We cannot except even Winnipeg or Rosetown-Biggar. We are convenient to great supplies of pulpwood. Our attractions as a tourist centre provide a valuable source of income to the dominion. Our water power, our railway connections and other facilities provide the basis of a very desirable industrial centre.

I would ask hon. members, in considering what compensation should be made, not to Ottawa, but to the people in Ottawa, seriously to reflect whether the accommodation provided and the services rendered are adequately compensated by a mere hundred thousand dollars. As pointed out by the last speaker (Mr. McIlraith), if the dominion government, and the federal district commission controlled by the federal government, were charged water rates and were assessed on a similar basis to the residents of Ottawa, they would pay over $155,000 a year, one and a half times the actual grant.

As long ago as 1899 there was a grant of $60,000, which has now reached $100,000, and I do not think that it should continue at this inadequate figure even in war time. To illustrate how important the matter is to the people of Ottawa, let me put on *Hansard* a statement of the value of appropriated properties removed from taxation by the municipality within the last five years:

Year	Assessed values of properties removed from taxation or revenue production
1937	$349,450
1938	870,228
1939	651,750
1940	376,125
1941	848,900

Mr. COLDWELL: What is the mill rate, so that we may get some idea of the loss of taxes?

Mr. BOUCHER: The mill rate would be governed accordingly. I might answer my hon. friend's question by a definite illustration.

Mr. COLDWELL: The mill rate, I understand, is 37 mills.

Mr. BOUCHER: About 37 mills.

Mr. REID: It was about 37 mills in 1940. It is down one mill, I think, this year.

Mr. BOUCHER: Between the years 1921 and 1941 the dominion government and the federal district commission have taken over property in Ottawa of a total assessed value of $6,431,530, not including the two properties mentioned by the previous speaker, namely the old city hall and the Knox church property. It is estimated that further property assessed at $1,370,000 will be exempt in the present year. The assessed value of government-owned land to-day is almost five times as great as it was in 1909, when the grant was $75,000.

True enough, it would be foolish for one to contend that loss of taxation on appropriated property, loss of revenue, or even increased services, should be the deciding factor. But here are we in this house, more than 240 members, dealing with the affairs of the nation, living in the capital city, benefiting by services rendered to properties which produce no revenue, without having had placed before us a true picture of the circumstances with which we are dealing in this bill.

Mr. REID: What about the pleasure of spending our money?

Mr. BOUCHER: The hon. Scotsman from New Westminster speaks very loudly of the pleasure of spending his money. We might even take that into consideration, though when I see some hon. members walking across the river to our neighbouring town, I sometimes wonder whether all their money is spent in the city of Ottawa.

The previous speaker placed on *Hansard* some interesting facts relating to assessment. May I, by way of further reply to the hon. member for Rosetown-Biggar, cite a few more figures relating to tax levies. Were the dominion government to pay taxes on its property to the city of Ottawa, in 1937 they would have paid into the city treasury $1,698,385 in general tax, $409,177.35 in busi-

ness tax, about $125,000 in water rates, plus $30,000 in water rates for the federal district commission. In 1939 payments to the city treasury would have been $2,052,404 general tax, and $470,902 business tax. In 1941 the income to the city of Ottawa from dominion-owned property would have been $2,117,727; the business tax, if levied against the government as it is against the ordinary taxpayer of Ottawa, would have been $492,362; the water rates, about $155,000, or a total of around two and three quarter million dollars. In dollars and cents the problem becomes a very serious one. I suggest therefore that it would be only fair to the country at large and to the city of Ottawa particularly if this whole matter were referred to a committee, giving to the city of Ottawa power to make representations through its mayor, board of control and civic officials, and power to the members of this house to estimate as nearly as they can the services we get. We need not dwell upon what those services are. Anyone must know that the water service itself is something gigantic and has been increased tremendously by virtue of the temporary buildings erected in Ottawa. Police protection has increased, snow removal has increased, the work of keeping the streets in orderly condition has increased. The very existence of Confederation square, a beauty spot to Canadians, necessitates many extra policemen in every busy hour of the day. Surely the members of this house should take these things into consideration and realize that in dealing with a bill of this kind, even though these are extreme days, a great deal more consideration should be given than merely repeating what has been done for the past twelve years or so. I suggest therefore to the Acting Minister of Public Works that he take the matter into consideration and if he cannot see fit to do it this year, at any rate he should be prepared to give the whole subject much more attention than it has received.

Mr. M. J. COLDWELL (Rosetown-Biggar): I think the member for Ottawa West (Mr. McIlraith) made about the best case it was possible to make for the grant contained in this bill for the city of Ottawa. The member who has just taken his seat (Mr. Boucher) added to those representations. As I have sat here and listened, I have wondered if a big philanthropic institution was looking after us all and making life a pleasurable experience for us. I agree that Ottawa is probably one of the most beautiful cities in the world; I know of nothing finer anywhere. But we must not overlook the fact that Ottawa is beautiful because the people of Canada chose Bytown as the capital, and the people of Canada have expended vast sums of money in public buildings, in the planting of trees, in the upkeep of a fine driveway around the city, and so on. I did suggest to the hon. member for Ottawa West that since he wishes to study the figures placed on the record we might study them six months hence. Of course, I was not quite serious in that suggestion, but I suggest that the citizens of Ottawa do not all quite appreciate what the parliament of Canada means to this city. For I have a very vivid recollection of the chief citizen of this city, the present mayor, saying that the members of parliament for all they did here might just as well go home. I thought when I saw this bill on the order paper that we might go home, perhaps, before passing the bill this year, as a sort of protest against the insult cast on the members of the House of Commons.

I am not going to oppose the bill, because there is much merit in the suggestion advanced by the two members who have spoken, that the whole matter be referred to a committee, where the rights of the city of Ottawa and the rights of the whole dominion might, so to speak, be put one against the other and a proper decision arrived at. I agree that this is no way to do the business of the country in relation to the city of Ottawa, simply by making a grant, because none of us know exactly on what grounds the grant is made. I know there has been loss of revenue on account of the pulling down of buildings, but I know also cities in this dominion where I should like to pull down half the buildings. I can look across the river from this beautiful parliament building, over to the city of Hull, and I should dearly love to have the opportunity of tearing down about half those buildings and putting up a set of buildings there that would more nearly approximate the city here, instead of looking upon it, my good friend the member for Hull (Mr. Fournier) notwithstanding, as an eyesore.

Mr. FOURNIER (Hull): We would accept a grant of $100,000 over there.

Mr. COLDWELL: I am sure the hon. member would, but so far the city of Hull has shown no indication that they would appreciate it in the way I should like them to. They should begin to clean up their doorstep, and it might be considered. Seriously, however, the matter now under discussion ought to be, as the member for Ottawa West suggested, the subject of inquiry by a parliamentary committee, or a committee of some sort, where representations could be heard and a proper

disposition of the question made. As I have said, I am not going to oppose the bill, but I hope that sooner or later we may have, instead of the city of Ottawa coming to us as a suppliant for funds, or instead of our making grants to the city of Ottawa, on any grounds, compassionate or otherwise, a capital which the Dominion of Canada can call its own in a federal district of its own.

Mr. J. A. PINARD (Ottawa East): I do not intend to add very much to the excellent speech made by my colleague (Mr. McIlraith), which I believe was the best case for Ottawa ever presented to this house. Some years ago I did present the case, not as brilliantly as he has done, because I was not privileged, as he and the member for Carleton (Mr. Boucher) have been, to get as much information on the subject from the mayor of the city—the present incumbent was in office at that time. Nevertheless I did the best I could. I was in the council for twenty years; I knew a good deal about the federal district commission and other matters affecting the city and its interests, and from such knowledge as I had I presented the case as forcibly as I could, with the result that I had the support of a few members of the opposition—I am speaking of the Tory opposition. My friend here is the one most entitled to represent the city of Ottawa because he had the pleasure of receiving the largest number of votes cast for any member of this house. That being so, the "Washington of the north", as Sir Wilfrid Laurier was known to have called this city, is well represented, and the people of the city have shown their representatives that we intend to make Ottawa the Washington of the north.

As to what the mayor said in regard to what we do in this house, I must say that until not long ago I had quite a lot of patronage, but it has been cut off from me. Nevertheless I am doing my duty as much as the mayor is, and when he makes in public such utterances as these I can say that he speaks for himself alone and not for the citizens of Ottawa.

I offer my thanks to the hon. member for Carleton. I do not know whether the farmers of his county will be pleased by his action this afternoon, because, like the hon. member for New Westminster (Mr. Reid), they are all Scotch. I am afraid that it will be hard for the hon. member to get reelected next time. I hope this vote will be carried this afternoon. I am glad of the suggestion made that a special committee of this house should be named by the government to hear the representations not only of the city council but of the government and hon. members of the house and other citizens who are much interested in the welfare of Ottawa.

Mr. FRASER (Peterborough West): The hon. gentleman has just made a political speech; that is all it was. He said we are making Ottawa the Washington of the north. I think that is an absolutely wrong attitude to take.

Mr. PINARD: At any rate it is not politics.

Mr. FRASER (Peterborough West): Ottawa is Canadian and we should keep it so.

Mr. J. R. MacNICOL (Davenport): I have always felt that the vote to Ottawa is too small. I hope that when this bill goes to the committee the committee will view the necessities of Ottawa more generously than they have been viewed in the past.

For some reason big business is not located in Ottawa. Perhaps on account of the government buildings being here, large factories are not encouraged to come. It is true that Ottawa is a very beautiful city, and the municipal authorities perhaps wish to protect it from the smoke that is associated with large factories. Therefore the city's opportunity to obtain revenue is not comparable with that of cities like Toronto or Montreal, or even Hamilton, Brantford, London and other manufacturing cities.

Mr. REID: But they have a larger constant payroll than any other city.

Mr. MacNICOL: I am well aware of that. On the other hand large industrial cities have many people with much larger salaries than are paid in Ottawa. Outside of a few heads of the main departments of government, salaries generally in Ottawa are not nearly as high as in the large cities. That is another reason why the tax revenues are lower than they otherwise would be for a city of the same size with big industries.

Did I gather that the acting leader of the opposition recommended that a committee be set up to consider the question?

Mr. STIRLING: The banking and commerce committee.

Mr. MacNICOL: And that that committee be invited to consider increasing the vote. In the meantime I will support the bill, and if the banking and commerce committee propose a larger grant I will support that.

Hon. J. E. MICHAUD (Acting Minister of Public Works): Since it has become my lot to sponsor this bill, which in recent years has become a hardy perennial in this house, I think it well that I should give to hon. mem-

bers a few facts by way of information in order that they may properly understand the relations of the dominion government to and with the city of Ottawa.

I admit that a very good case has been built up by hon. members representing the city and citizens of Ottawa and those closely associated with the city, and by the hon. member for Carleton (Mr. Boucher). They have built a very good case for imposing upon the dominion government recognition of an obligation towards the city of Ottawa to pay taxes or compensation in lieu of taxes. But one must not forget that no government has ever recognized any obligation to pay to the city of Ottawa any compensation for taxes on property owned, purchased or expropriated within the city limits, and I doubt whether for a long time to come any government would admit the principle. It will be realized that were the government to admit such a principle, any city, town or muncipal corporation which has within its limits any property owned by the dominion government would be just as much entitled, as the city of Ottawa, to ask for some allowance by way of compensation for loss of taxes, and on the same basis and in the same proportion. The principle that His Majesty the King cannot be taxed applies to the property owned by his majesty in the city of Ottawa as well as to property owned by his majesty in any other city or municipality in Canada.

Ever since Ottawa was selected as the capital of Canada no government has ever recognized any obligation to the city or to any municipality for payment for loss of taxes or in lieu of taxes or compensation for the right to own property in the municipality. Up to 1899 the dominion government did not pay anything to the city of Ottawa for the buildings that the government owned in the city limits and for the services that were rendered by the city for the care and protection of government property, much less for loss of taxes, or taxes on property owned. It is of course a good argument to present the value of property owned in the capital of the country and say that if that property were taxed on the same basis as any other property such and such an amount of money would be owing by the government to the city. But the principle is false and cannot be admitted, and I am sure no one will admit it.

The argument is that the city treasury is placed in a difficult position by the fact that from year to year the government erects costly new buildings within the city, and expropriates property which previously had been assessed and on which taxes had been paid; and that if that continues the taxpayers in the city will have to shoulder an additional burden. It is possible that that may happen. But things may also work the other way. For example I am told that last year, notwithstanding the fact that the government took over property valued at close to a million dollars and that amount of property has been removed from the tax roll of the city, the tax roll has been increased by $2,000,000 and the tax rate in the city has been lowered. Of course this is quite understandable. The more the government expropriates real estate in this city, and erects office buildings, the more people have to be brought into the city to be housed in those buildings. Those people are put on the payrolls, and spend most of their earnings in the city. Those who possess commerical properties see the value of their commercial establishments increased, and the city assessment lists increase in the same proportion.

However, argument could be adduced to support the claim with respect to the payment of taxes, once it is admitted that his majesty is liable to the payment of taxes either in this capital city or in any other place. That principle is not admitted.

In 1899 the public-spirited citizens of Ottawa decided to make Ottawa a beautiful city. At that time Sir Wilfrid Laurier was a citizen of this city. In that year the Ottawa improvement commission was formed, and a grant was demanded to support the operations of that commission. As a result, by chapter 10 of the statutes of 1899, a grant of $60,000 a year was voted by parliament. Section 15 of the statute sets out the reasons why the government of the day agreed to pay that amount of money to Ottawa, and to make that concession. The section states:

> The annual grant payable under this act shall be in full payment, satisfaction and discharge of all claims and demands by or on the part of the corporation on the government of the Dominion of Canada in respect of water supplied, including charges for street sprinkling by the corporation for use in and on all buildings, lands and premises in the said city of Ottawa.

This first grant of $60,000 a year was made to pay for the water supplied and the sprinkling system used in all buildings and on all lands. That principle has been maintained throughout the various enactments, and even in the agreement of 1920.

The agreement we are now asked to ratify was signed on May 11, 1920, and has been modified very little since that time. The principle remains the same. The amount of $100,000 paid annually to Ottawa is still being paid in discharge of all claims and demands by the corporation of the city on

the federal government with respect to water supplied for street sprinkling and for use in the parks and driveways under the control of the federal district commission, as well as for fire protection in the various government buildings. It is understood of course that the sprinkling is to be restricted to hours named by the city. Since 1899 the amount has been increased to $100,000 a year; and since 1919 it has been paid direct to the city of Ottawa.

The main clauses of the agreement provided (1) annual payment of $150,000 to the Ottawa city improvement commission for ten years from July 1, 1919; (2) annual payment of $75,000 to the city of Ottawa, for five years from July 1, 1919; (3) payment for water supplied by meter; (4) cancellation of the exemption of civil servants from income tax and, in addition to this, (5) the government assumed the repair and maintenance of sidewalks on the north side of Wellington and Bank streets as far as the Perley home.

These were the five conditions which formed the basis of the contract of 1920. Since then the principle has not been changed, but the amounts payable under the various clauses have been increased. For example, the amount to the Ottawa improvement commission, which was to be $150,000 a year, is now in this year $333,500, or about a third of a million dollars. That amount was for the beautification of driveways and the improvement of the general appearance of the city. The annual payment of $75,000 to the city proper has been increased to $100,000. Naturally that is done because the amount of water used has increased since the signing of the contract in 1920. Then, payment for the water used and metered in the buildings has been increased, and so has the rate. For example, in 1941, the government consumed 371,498,840 gallons of water, for which it paid $53,937.37. Besides that, the government paid a meter rental at the rate of ten per cent of the purchase price of the meter, amounting to $1,459.34. So it would appear that last year the government paid to the city of Ottawa for the water used and metered in buildings the sum of $55,396.71.

This is by virtue of the agreement with the city of Ottawa whereby the water is being bought at 13 cents a thousand gallons for any quantity up to 200 million gallons, and an increase of 25 per cent for any quantity over and above the basic quantity. Negotiations are now under way between the city and the government further to increase the rate on the water being metered, because of the increased costs in pumping water to the buildings. I understand that negotiations are now in progress to ascertain a proper increased rate to be agreed upon by the parties.

[Mr. Michaud.]

In addition to the third of a million dollars paid by the government to the Ottawa improvement commission, the $100,000 paid to the city for the water used in the sprinkling system and on the ground, and the amount I have just mentioned for water used in the buildings, the government has paid taxes on property occupied by different foreign legations. Last year that item amounted to $39,321.44. The amount of income tax which the government was authorized to collect from civil servants and from which the civil servants were exempt before the agreement was amended in 1919, amounted to $57,175. Last year the government paid the sum of $60,512.90 as taxes on properties which had been expropriated during the year and which had been previously assessed but for which taxes had not been paid for the current year.

Those are the payments which the dominion government makes to the city of Ottawa without recognizing any obligation to pay any taxes on real estate or property owned or purchased, either by contract or by expropriation, in the city of Ottawa. I believe the only thing that might be adjusted by a committee or another body to which the matter might be referred would be the amount the government should pay because of increased consumption of water in the buildings or outside the buildings to take care of the grounds, and also for fire protection. It is admitted that there has been an increased fire risk in certain districts of the city because of the erection by the government of temporary wooden buildings. However, these buildings are equipped with fire protection facilities in the form of automatic sprinkler systems and by having janitors or fire guardians on the premises to protect the properties from fire. It is possible that this agreement, which dates from May, 1920, should be revised, but I think this is a most improper time to attempt to arrive at any definite agreement. The future of some of the properties which we have in the city is most uncertain, and I submit that for the time being the city of Ottawa should be satisfied to accept this amount and then continue negotiations with the government with a view to coming to an understanding as to the real obligation of the government on account of increased consumption of water and increased cost of fire protection of government buildings during war time. I think this is a matter which can be adjusted by the officials of the government and the officials of the city. As soon as the war is over it may be possible to come to a more definite understanding as to what should be the relations between the city and the government in the future.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Ross (Calgary East) in the chair.

On section 1—Agreement with city of Ottawa extended for one year.

Mr. STIRLING: I realize that the suggestion I made that this matter could properly be referred to a committee—I suggested the banking and commerce committee—has received the support of several hon. members, but two or three of them have supported it because it might result in an increased grant to the city of Ottawa. I do not find myself in that position because the basis of my suggestion was that I did not know. If the matter goes before a committee a great deal of relevant information could be given, some of which the minister gave us in the statement he has just made. It may be possible there to endeavour to turn into dollars and cents the very considerable benefits that the inhabitants of Ottawa receive from the existence of the capital city here, and from the civil servants, whose total powers of expenditure are considerable. In reciting the five bases of the agreement the minister referred to the exemption of civil servants from the payment of income tax. That alone is a considerable contribution which the dominion government forgoes and which the citizens of Ottawa receive.

Mr. PINARD: That does not exist now.

Mr. MICHAUD: Ontario collects it and pays it to the city.

Mr. STIRLING: I was going to ask permission to interrupt the minister toward the end of his remarks to ask him if that was the case, but he reiterated that that exemption still lived. That is one of the factors which is obviously not within the knowledge of several of hon. members here to-day and which could be brought out in a committee which could easily assess the pros and cons before arriving at a decision.

Section agreed to.

Bill reported, read the third time and passed.

CANADA EVIDENCE ACT

AMENDMENT TO MAKE PHOTOGRAPHS OF BOOK ENTRIES ADMISSIBLE IN EVIDENCE

Hon. L. S. ST. LAURENT (Minister of Justice) moved the second reading of Bill No. 66, to amend the Canada Evidence Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Ross (Calgary East) in the chair.

On section 1—Definitions.

Mr. ST. LAURENT: Since the bill was introduced applications have been received from utility companies and from insurance companies that the provisions of this bill be extended to them. I would ask one of my colleagues to move these amendments. In section 1, lines 9 to 12, the definition is to be that of a corporation, instead of that of a bank. The new definition reads:

(a) "corporation" means the Bank of Canada, every bank to which the Bank Act applies or to which the Quebec Savings Banks Act applies, and each and every of the following carrying on business in Canada, namely, every railway, express, telegraph and telephone company (except a street railway and tramway company), insurance company or society, trust company and loan company (except a company subject to the provisions of part 2 of the Small Loans Act, 1939).

Then comes the definition of the word "government" as follows:

(b) "government" means the government of Canada or of any province of Canada and includes any department, commission, board or branch of any such government.

This would require subparagraph (b) to become subparagraph (c). Then in section 1, line 17, the word "bank" will be struck out and the words "government or corporation" substituted. Then it is suggested that in the same section, line 21, the word "original" might very well be omitted, where it appears before the word "instrument". It is felt that the inclusion of the word "original" might give rise to some difficulty in interpretation. Without the word I think it is obvious that it will be the document itself, while if the word "original" is retained, some difficulty might arise as to what is meant by an original instrument.

Mr. DOUGLAS (Weyburn): It might prevent photographing a duplicate, for instance.

Mr. ST. LAURENT: Yes. Then also in line 21, the word "bank" is to be replaced by the words "any government or corporation". Similarly in line 25 the words after "any" to the end of line 27 are to be struck out and the words "government or corporation" substituted therefor. That comes about because "government" has been defined in subparagraph (b). Then on page 2, in lines 4 and 5, the words "bank, department, commission, board or branch" are struck out and the words "government or corporation" substituted. In lines 9 and 10 also the words "bank, department, commission, board or branch" are struck out and the words "government or corporation" substituted therefor. The same change is made in line 14. "Government or

corporation" both having been defined in the first paragraph, this substitution merely follows, if the first suggestion is adopted.

Mr. DOUGLAS (Weyburn): If I understood the minister correctly, "corporation" is defined as including express companies, railway companies—

Mr. ST. LAURENT: "Corporation" would include banks under the Bank Act or the Quebec Savings Banks Act, and would include also railway, express, telegraph and telephone companies, except a street railway or tramway company, and an insurance company or society, trust company and loan company, except a company subject to the provisions of part 2 of the Small Loans Act of 1939. These are all companies which, having seen the bill after it was introduced into this house, have written to ask whether its provisions might not be extended to them. As the hon. member realizes, the bill is for the purpose of supplementing legislation along the same lines being adopted by the provinces, because the evidence requirements are governed both by federal and by provincial legislation, the purpose being to permit the destruction of original records and to retain photographic records. Unless both federal and provincial legislation permit the use of the photographic records, a company could not take the risk of destroying the original voluminous records.

Mr. DOUGLAS (Weyburn): The reason for not including private corporations and companies is that they would be covered by provincial legislation?

Mr. ST. LAURENT: Well, I am not sure that in every instance they would be covered by provincial legislation. Our evidence act applies to evidence in criminal cases and also to evidence in civil cases governed by the statutes of Canada. The ordinary litigation before the provincial courts is governed as to evidence by the provincial dispositions. But if a company wishes to destroy original records and retain only photographic copies, it takes a risk in doing so unless both the federal act and the act of the province in which it is located permit a photographic record to be used as evidence. If there is only a provincial act allowing a photographic record to be used as evidence, a case might arise which would be governed by the Canada Evidence Act, and as a result the company having destroyed the original would be embarrassed, because there might be nothing in the federal act allowing the photographic record to be used.

Mr. DOUGLAS (Weyburn): Then why is this not extended to deal with private corporations and companies? Is it that they have not asked for it, or is it that their records would not extend over as long a period of time?

Mr. ST. LAURENT: It has not been asked for. This matter was considered by the government departments. Then a formal application to the committee on uniformity of legislation that sits in conjunction with the Canadian Bar association was submitted by the bankers' association. They pointed out that under the Bank Act the statute of limitations did not apply to them, and in consequence they have to be ready at all times, no matter how many years may have elapsed, to prove what they may have done with moneys deposited with them. They represented that on a microfilm two hundred feet in length they could conserve copies of 2,700 letter-sized sheets, that this could be done very quickly and I understand at a cost of about $7 per film, that it would reduce very considerably the storage space required to conserve these records, and that whenever one is necessary it can either be thrown on a screen in enlargement, or an enlarged print can be made from the microfilm and submitted as evidence.

The bill having been introduced in its original form dealing with government records or bank records, the Canadian Pacific Railway and the Canadian National Railway, both for railway purposes and for telegraph and express purposes, wrote in asking if there seemed to be any objection to extending the same principle to them. They felt they could also bring about a saving in storage space if the principle were extended to them. That was followed by an application from the Bell Telephone company. Then came an application from the life insurance companies, and the amendment submitted would include trust companies, utility companies, and insurance companies. They will not, merely by virtue of the adoption of this federal statute, take the risk of destroying their old records. They will have to get also concurrent provincial legislation before they will feel safe in destroying their old records. But there has been no application from private companies, and I do not know that even in the United States where the system is used it has been extended to any but these public or semi-public corporations.

Mr. DOUGLAS (Weyburn): It is not being extended also to include the government itself?

Mr. ST. LAURENT: Oh, yes; it includes the government—the federal government or any provincial government.

Mr. DOUGLAS (Weyburn): That was not in the original bill?

Mr. ST. LAURENT: That was in the original bill. That was in the original recommendation. If the hon. member will look at the bill he will see that, at lines 24 and following, the government records were also included:

(c) any record, document, plan, book or paper belonging to or deposited with any department, commission, board or branch of the government of Canada or of any province of Canada.

Mr. DOUGLAS (Weyburn): Now the minister is putting it in the definitions.

Mr. ST. LAURENT: Now we are putting it in the definitions, so that the application may be general.

Mr. DOUGLAS (Weyburn): Has the minister satisfied himself that the photographic records are perfectly accurate? Most people are familiar with trick photography and what has been done by people who are clever with films. Are they considered by the Department of Justice to be a very satisfactory method of keeping accurate records?

Mr. ST. LAURENT: The Department of Justice consider that the precautions provided for here would make it reasonably safe that authentic copies only would be preserved. The bill provides that when a copy is made and when the original is to be destroyed, an affidavit will be made by the person making the photograph and attending to the destruction of the original, verifying the correctness of the photographic record.

Mr. DOUGLAS (Weyburn): The affidavits will have to be kept, then?

Mr. ST. LAURENT: The affidavit will have to be kept; and the bill provides that if the person who made the photographic record is not available to give evidence when the copy is to be used, a copy of the affidavit may be supplied with the photographic record to complete the evidence.

Mr. DOUGLAS (Weyburn): Will the affidavit be photographed, too?

Mr. ST. LAURENT: No. The affidavit will be taken in the ordinary form.

Mr. BOUCHER: Notarized.

Mr. ST. LAURENT: Notarized, and will be preserved in that form.

Mr. DOUGLAS (Weyburn): There will be one affidavit for the entire film?

Mr. ST. LAURENT: Yes.

Mr. DIEFENBAKER: The minister is to be complimented on accepting the recommendation of the uniformity committee of the Canadian bar association, of which he was for a term its distinguished president. But the amendment he suggests to-day goes a long way farther than was ever recommended by the Canadian bar association, and for that reason certain questions come to one's mind. One is this: in the United States are the photographic records of railway and express corporations accepted?

Mr. ST. LAURENT: I am unable to inform the hon. member to what extent they have extended their act to the conservation of business records.

Mr. DIEFENBAKER: I understood the minister to say that the same principles were being used in the United States.

Mr. ST. LAURENT: That was the representation made to us by the railway companies, but I have not myself verified it.

Mr. DIEFENBAKER: I notice that another change has been made. In the recommendation that was made to the Canadian Bar association in connection with this matter, and which appears in the 1939 proceedings of the association, at page 308, it is stated as follows:

The photographic record in such case would be prima facie evidence only, however, and could be rebutted by positive evidence to the contrary.

That was in the brief submitted by the Canadian Bankers' association to the Canadian Bar association, and to that was appended a suggested amendment of the Canada Evidence Act—the amendment which is now before the committee, except in one particular, that in the suggested amendment of the commissioners on uniformity of legislation the probative value of the entries in any book or record which had been filmed was to be received as prima facie evidence only. There has been an alteration in the amendment now before the committee. It—

—shall be admissible in evidence in all cases in which and for all purposes for which the object photographed would have been received upon proof. . . .

I would like the minister to explain why, though in general the amendment suggested by the Canadian Bar association is accepted, the change was made altering the probative value as prima facie evidence only and making photographs admissible in evidence. Why the alteration in that regard? I would also like the minister to explain why it is that in the definition of "bank", restriction is made to the Quebec savings banks. Are there any other savings banks?

Mr. ST. LAURENT: These are the two banks which require to have their charters

renewed by this parliament every ten years like the ordinary chartered banks: the Montreal City and District Savings Bank and the Caisse d'Economie de Notre Dame de Quebec. Those are the only two, and for all other purposes they are on a par with the chartered banks.

Mr. DIEFENBAKER: The minister has said that he wants to bring about uniformity in the evidence acts of the dominion and all the provinces. Have the provinces accepted the suggested amendments which he spread before the committee to-day? If they have not, then you are going to have a situation which will make proof more confounding than ever before.

Mr. ST. LAURENT: I think the answer to the hon. member is this. Five of the provinces so far have accepted the recommendation of the committee on uniformity of legislation. This bill includes everything that is in the recommendation, and, at the request of the insurance companies, the trust companies and the utility companies, goes beyond that. But before these companies will take the risk of relying upon this statute they will have to get concurring legislation from the provinces. If they do not get the two, they may find themselves in the position where they will have destroyed an original and will not have any justification for attempting to use something else.

This bill, of course, will apply only to cases to which the Canada Evidence Act applies; in all other cases they will have to rely upon provincial legislation. We may be taking one step in advance of what these five provinces have already done, and if they do not follow, the companies not now included in the provincial legislation will probably not take the risk of destroying their old records.

Mr. DIEFENBAKER: That just shows the ambiguous position in which the law of evidence will be should the amendment suggested to-day be accepted by this committee. As originally submitted to the house there could be no possible objection to the suggested amendment: it covered matters under federal jurisdiction—the Bank of Canada and any bank to which the Bank Act applies and to which the Quebec Savings Banks Act applies. If we pass this bill, instead of bringing about uniformity of legislation in Canada as desired by the Canadian Bar association, it will have the opposite effect so far as the evidence act is concerned. You will have an act of the dominion allowing certain matters to be proven in a certain way and you will have provincial acts not permitting that. I suggest that the amendments moved to-day by the Minister of Fisheries (Mr. Michaud) go rather too far, because they may create a situation that will place this parliament in the position of passing legislation in amendments that will give rise to any amount of litigation and will not result in any improvement in administration.

Mr. ST. LAURENT: I am not convinced by the argument of the hon. member. When concurrent legislation is required, it cannot be secured absolutely simultaneously from all the bodies concerned. In this case, in order to have uniformity, it will be necessary to have an enactment by this parliament and enactments by nine legislatures and probably a regulation under the Northwest Territories Act. It takes considerable time, as the hon. member knows from his experience, paralleling mine with the Canadian Bar association, to get any of these bits of uniform legislation completed. Someone has to be the first. Five of the provinces have got ahead of the federal parliament in carrying out the suggestion of the uniform legislation committee.

Mr. DIEFENBAKER: Only in so far as the original recommendation is concerned.

Mr. ST. LAURENT: In so far as the original recommendation went. There are still four provinces that have not adopted a uniform statute. If this parliament adopted the bill in its original form it would be possible for banks and for the governments of those five provinces to avail themselves of the new provision without incurring any risks. They could destroy records and they would have to make evidence only in federal courts or in the courts of their respective provinces. The dominion government would not be able to avail itself of the provision because it might have to comply with the evidence act of some of the other four provinces in litigation. The banks would not be able to avail themselves of it because there would still be four provinces where they might have suits, where evidence would be regulated by provincial legislation, and where they could not avail themselves of these provisions. It will be some considerable time before the nine or ten or eleven legislative bodies have all acted. It has been represented to the department that the amendments suggested would serve as an invitation to the other legislatures to extend to these insurance companies and public utility companies the same principle that the bill embodies. I do not think it will create any confusion whatsoever. This will cover a wider field than has been covered yet by any provincial legislation, and the amendments will not be operative until

legislation of a similar nature is adopted by the provinces wherever any of these companies may feel that at any time they will have to go into courts or see applied to them the provisions of a provincial statute.

Mr. DIEFENBAKER: Will the minister explain why there is the change in the words from "prima facie proof" to "admissible in evidence"? I regard that as significant.

Mr. ST. LAURENT: It seemed to us that if there were a photographic record, made under proper control, it could not be other than the exact reproduction of the document, and the provision suggested here is that the copy will make the same kind of evidence that the original would have made. In very many of these cases the original merely makes prima facie evidence, but you would have had, with the suggestion, this duplication, that the photograph would be prima facie evidence of the original, and the original would be prima facie evidence of the fact. It seemed that if the photograph were to be made under the conditions the bill provides for, the purpose would not be served unless the photograph could stand in lieu of the original, whenever there was occasion to call for the document. The real purpose is to facilitate the destruction of old records and save storage space, and it was felt that if the photographic record were not going to be in the same position in court as the original would have been in, the real purpose would not be achieved.

Mr. DIEFENBAKER: There is not the same reason for the keeping of the records, on the part of these other corporations, that there is on the part of the government of Canada or on the part of the bank.

Mr. ST. LAURENT: No.

Mr. DIEFENBAKER: Then why did they want this method of proof? These other corporations do not have to keep their documents, and there is no reason for them to keep them. Why then do they want provision made by parliament to photograph documents which they are at liberty to destroy?

Mr. ST. LAURENT: They are not required to keep them for all time. They do have to keep them for such a period as will enable them to go into court and say, "Our practice is to destroy these records after so many years", and have the court recognize that as a proper business practice. The volume of the documents, especially in the case of insurance companies, which these concerns do keep is large, and the department admitted the usefulness of these amendments. The bill as orginally introduced was one that had been recommended by the committee on uniformity of legislation. It was introduced in that form because I would have felt it desirable to bring in a bill in a form in which it could be passed without having to ask hon. members in committee to make changes in it. It was after the bill was introduced that these others came along and suggested that they might be able to get the legislatures also to extend the legislation, and the officers in the department, after discussing the matter with the Department of Transport, as concerning the railway companies, and with the superintendent of insurance, as concerning the insurance companies and the trust companies, saw no good reason for refusing to submit their request to have the bill extended to them.

Mr. HAZEN: There is nothing in the bill to provide that proof must be given that the photographic film had been compared with the original document and found to be a true photograph of the document before the print could be put in evidence.

I do not know whether any consideration was given to that point. But I am not speaking of photographs of documents now; I am speaking of photographs I have seen at times, made with the intention of having them put in evidence, and I know that sometimes those photographs do not give a correct picture of what they are supposed to represent. It seems to me it might be advisable to have a provision in this bill that the affidavit which is made must state that the photographic film was compared with the original document and found to be a true photograph of the document. Has consideration been given to that?

Mr. ST. LAURENT: It was considered that the requirement contained here would be a sufficient guarantee that it was a photograph properly made of the original record. Subparagraph (i) provides that the copy may be used upon proof that:

(i) while such book, record, bill of exchange, promissory note, cheque, receipt, original instrument or document, plan, book or paper was in the custody or control of the bank, department, commission, board or branch, the photographic film was taken thereof in order to keep a permanent record thereof; and

(ii) the object photographed was subsequently destroyed by or in the presence of one or more of the employees of the bank, department, commission, board or branch or was lost or was delivered to a customer.

Mr. HAZEN: Yes; it says it was taken, but there is nothing that says they compared it.

Mr. ST. LAURENT: It was not considered necessary to go beyond that. They are the employees who are making these copies for the purpose of keeping a record of a thing to be destroyed; and it was thought that if they made an affidavit that they had taken the photograph for the purpose of keeping a record of the thing to be destroyed, and that it had been destroyed, that sufficiently established that they were not making a trick photograph.

Mr. HAZEN: Should it not say when it was taken? Should the date not be given to show that it was taken in the ordinary course of business? An unscrupulous person could take a fake photograph and then destroy the document when some trouble developed.

Mr. ST. LAURENT: That may be possible, but it was not considered that that was something that needed to be guarded against in enabling government departments or institutions to make microfilms of their records. One could conceive of a record being falsified. But this is for the purpose of enabling the compression of records into a smaller space.

Mr. BENCE: I am not very favourably impressed with the method of furnishing proof by means of photographs. It seems to me that the legislation went as far as it should when it was confined to the original draft, and I think it is a dangerous precedent to set to extend that. There is a possibility, as suggested by some hon. members, that a document might, for example, have had an erasure or mutilation which was cleverly covered up, and a photograph probably would not show that erasure or mutilation.

In addition, it provides that any employee of the company may give evidence of the fact that it was a photograph of the particular document. An office boy in any one of these companies could give that evidence. It is conceivable that some minor employees of a company might collaborate in endeavouring to deceive the courts in connection with such a thing. Furthermore there is no question that the old method of cross-examination which has been the backbone of our judicial system for so many ages would be completely done away with, and in addition there is no provision—although I thought the minister suggested it—that an affidavit would be taken at the time and filed with the film in order that proof might be adduced at a later date. Take an instance where proof might be required five or ten or fifteen years after the photograph was taken; what person could give evidence of the taking of the film? Suppose all the employees had left the institution by that time. Certainly the provisions of subsections 3 and 4 could be materially strengthened to provide that an affidavit should be furnished and filed with each film at the time it was taken, and then a notarial copy of the affidavit could be used if wanted ten or fifteen years afterwards.

Mr. ST. LAURENT: It must be realized that whoever destroys his original record is taking some risk. If he destroys a record and thinks he may at any time in the future be called upon to make evidence of it he is going to have this affidavit made at the time the original record is destroyed. That is the way it will work in practice. Those who are destroying records, in making their microfilms will file with the microfilm an affidavit of which a notarial copy can at any time in the future be produced to verify the correctness of the microfilm and enable them to make proof of it.

Mr. BENCE: A notarial copy by whom?

Mr. ST. LAURENT: A notarial copy of the original affidavit that will necessarily be made at the time the record is destroyed.

Mr. BENCE: The bill does not so provide.

Mr. ST. LAURENT: If the hon. member were the manager of a company that was going to rely upon this film and authorized the destruction of an original record, he would certainly want to have, contemporaneous with the destruction of the record, the thing that would be evidence at any time under the terms of the measure, and he would require those who were proceeding with the destruction of the record to make the affidavit at once. He would not take the risk even of waiting until the next day to have the affidavit made.

Mr. BOUCHER: On the other hand here we are extending to a person who wants to destroy an original document the privilege of substituting a form of proof in its place. We are not merely saying the substituted form of proof shall be prima facie evidence; we are saying it shall be admissible as evidence.

Mr. ST. LAURENT: As evidence of the thing it replaces, not as evidence of the facts.

Mr. BOUCHER: But we are giving them the privilege of having that as evidence of the thing it replaces without any way of checking as to whether a comparison was made of the photograph with the original document, or when the affidavit was made. My opinion is that in this day and age we are getting rather loose with affidavits. With the present custom of requiring affidavits and declarations almost to the filling of your

individual teeth, the affidavit is becoming, I fear, a very common and rather sloppy method of proof. We are leaving the door open. We are not saying that the court may, in adjudicating on a matter, say, "I have some doubt on this, it not having been proven that a comparison was made with the original document and that the affidavit was made at the time that comparison was made".

We leave much to the vagaries of mortal man. In the case of the banks particularly, if a lawyer is filing a proof of probate he makes a notarial certificate that he has compared this document with the original one. He puts his notarial seal on it. The banks almost invariably insist upon getting the original probate as well as the notarized copy and comparing them before they will even accept the notarial certificate. So that if we were to deal with the request of those who ask for this legislation on the basis of the policy they themselves adopt, we would see at once the danger involved in granting their request. I submit we should proceed with extreme caution, and should at least require the filing of the affidavit almost immediately after the document has been compared with the original. Before it could be admitted as evidence, or even as prima facie evidence, such circumstances should be proven to the court.

Section stands.

Progress reported.

On motion of Mr. Mackenzie (Vancouver Centre) the house adjourned at 6.03 p.m.

Monday, May, 25, 1942

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

LABOUR CONDITIONS—LAY-OFF AT STELLARTON, N.S., COAL MINE

Mr. McCULLOCH:

1. Has the Minister of Labour been notified in respect to a lay-off of men at the Allan shaft, Stellarton, Nova Scotia?
2. How many men were affected by such lay-off?
3. What caused the lay-off?
4. What action, if any, has been taken to pay unemployment insurance to these men?

Mr. MITCHELL:

1. Yes.

2. Approximately 400.

3. An explosion occurred which damaged the shaft making it impossible to continue to work until the damage was repaired. The provincial mine department is investigating the accident and a report has not yet been received as to the cause.

4. Men whose employment is temporarily interrupted will be paid any benefits they are entitled to under the Unemployment Insurance Act.

JAPANESE NATIONALS—LAND LICENCES

Mr. STIRLING:

1. How many licences have been granted by the Minister of Justice pursuant to order in council P.C. 1457 to persons of Japanese race or to Japanese controlled companies, (a) to acquire land: (b) to hold land; (c) to hold crop-share agreements; (d) to acquire or hold any other interest in land or growing crops?
2. What investigation does the Minister of Justice make before granting a licence pursuant to this order in council?
3. In which constituencies have licences been granted and how many in each such constituency?

Mr. ST. LAURENT:

1. None.

2. If the person of the Japanese race to whom the land is to be transferred was actually in or ordinarily resident in a protected area in British Columbia at the time of the orders of the Minister of Justice to evacuate such area, the Minister of Justice requires the approval of the British Columbia security commission and of the attorney general of the province in which the land is situate before any licence will be granted pursuant to order in council P.C. 1457 of February 24, 1942. If the person of the Japanese race to whom the land is to be transferred was resident outside of the protected areas, the Minister of Justice requires the approval of the attorney general of the province in which the land is situate. In either case, if the Minister of Justice is not satisfied, he may require an investigation to be made by the Royal Canadian Mounted Police.

3. Not applicable.

OFFERS OF SERVICE IN WAR EFFORT

Mr. BRUCE:

1. Have the names of those who have offered their services to the government in various capacities in connection with Canada's war effort, been kept in files and properly card-indexed as to qualifications?
2. If so, are these files referred to before special appointments are made?

Mr. THORSON:

1. Yes.

2. Frequent reference has been made to these files. Whenever the civil service commission or any department of government requests information from these records, such information is forthwith furnished.

UNIFORM COMPANY REG'D—KHAKI DRILL JACKETS

Mr. ROY:

1. Has the government awarded a contract for khaki drill jackets to the Uniform Company Reg'd. of Quebec?
2. If so, (a) for what quantity, (b) at what price per unit?
3. Has there been an increase in the initial price of this contract? If so, what was the increase and what was the total cost of the contract?
4. Who is the owner, president or manager of the company, and where is his office located?

Mr. HOWE:

1. Yes. Contract No. A21-B-73, serial 2-110416 was awarded to the Uniform Company Reg'd, on October 16, 1941, as the result of tender. P.C. No. 7777.

2 (a) 135,000 jackets, khaki, drill.

(b) It is the policy of the department not to give unit prices.

3. (a) No.

(b) Total contract amount, $399,129.45.

4. It is our information that Mr. Morris Pollack is the president of this company which is located in Quebec city, Que.

CONTRACTS TO CANADA PACKERS

Mr. CASTLEDEN:

What is the total value of all contracts let to Canada Packers by the government from September 30, 1939, to March 31, 1942?

Mr. HOWE: $13,257,544.

NATIONAL FILM BOARD—IRVING JACOBY

Mr. ROSS (Souris):

1. Is Irving Jacoby now in the employ of the national film board?
2. If so, in what capacity?
3. On what date was he appointed to his present position?
4. What in detail are the duties he performs?
5. Is he in receipt of a yearly, monthly or weekly salary or is he employed on a fee or commission basis?
6. Is he a British subject and, if not, of what country is he a national?
7. What is the total amount he has received, (a) in salary, fees or commissions, and (b) for travelling expenses from the date of his appointment to his present position to the present date?
8. Before he was employed in this present position what steps, if any, were taken by the national film board or its officers to ascertain whether any Canadian-born British subject with appropriate qualifications and experience was available to fill the position now occupied by Mr. Jacoby?
9. On whose recommendation was Mr. Jacoby appointed to his present position, and was the approval of the national film board sought prior to his appointment?
10. Was the position now filled by Mr. Jacoby established with the approval of treasury board prior to his appointment?
11. At any time, was Irving Jacoby associated directly or indirectly with the Film Centre, London, England, while the present government film commissioner was chairman of that organization?
12. Is he now associated with an organization in New York city known as the American Film Centre?
13. If so, in what capacity?
14. Is the present government film commissioner associated in any capacity with that organization?
15. If so, in what capacity?

[Mr. Thorson.]

Mr. THORSON:

1. Yes.
2. Film producer and liaison officer in respect of groups of films produced by the national film board, which require assistance and cooperation with United States organizations in New York.
3. Appointed for duties outlined in answer to question 2, February 28, 1942.
4. Acts on behalf of the national film board in respect of production needs, and as liaison officer respecting personnel, supplies, and laboratory needs in New York; in addition acts as liaison officer with the various civic, state and federal government agencies in New York, and such additional duties as the government film commissioner might specify.
5. Weekly salary basis.
6. (a) No; (b) United States citizen.
7. (a) $650 U.S. funds; (b) None.
8. None. Mr. Jacoby's wide experience in documentary film production and his intimate knowledge of personalities and of production, distribution and equipment companies in New York make him of invaluable assistance to the national film board. His previous production experience on behalf of the national film board at the Canadian government motion picture bureau between December, 1939, and July, 1940, familiarized him with Canadian needs and methods. The post he fills is one which requires a familiarity with persons and organizations, private and governmental, in New York which only one long active in the film field in New York could be expected to possess.
9. (a) Government film commissioner; (b) No.
10. No.
11. No.
12. No.
13. See answer to question 12.
14. No.
15. See answer to question 14.

AIR OBSERVER SCHOOLS

Mr. POWER: Mr. Speaker, in order that the matters to which I wish to refer may be in proper sequence, I should like to file and have inserted in *Hansard* answers to certain questions which were put to me by the hon.

member for Lake Centre (Mr. Diefenbaker) on May 12, at pages 2357 and 2358 of *Hansard* during the course of the discussion on the war appropriation bill. Copy of these replies has been handed to the hon. member for Lake Centre, and I may say that he has no objection to the questions and answers being placed on *Hansard*. It is a long series of questions which were put to me, and I undertook to reply to them. I think it would be just as well if they could be placed on *Hansard* in the section dealing with questions and answers.

Mr. HANSON (York-Sunbury): Would the minister indicate their purport?

Mr. POWER: They deal with civilian air observer schools.

Mr. HANSON (York-Sunbury): Yes, I know, but what is the effect of the answers?

Mr. POWER: They cover many pages.

Mr. HANSON (York-Sunbury): Do they not indicate that the statements of the hon. member were in the main correct?

Mr. POULIOT: That may be discussed afterwards. The practice is very good.

Mr. HOMUTH: Who is running this house?

Mr. SPEAKER: With the consent of the house the questions and answers will be inserted in *Hansard*.

(The questions and answers follow):

1. How many air observer schools are in operation in Canada?

Ten schools.

2. Where are said schools located?

No. 1—Malton, Ont.
No. 2—Edmonton, Alta.
No. 3—Regina, Sask.
No. 4—London, Ont.
No. 5—Winnipeg, Man.
No. 6—Prince Albert, Sask.
No. 7—Portage la Prairie, Man.
No. 8—Ancienne Lorette, Que.
No. 9—St. Johns, Que.
No. 10—Chatham, N.B.

3. Are any of the said schools owned or operated by the government or the Royal Canadian Air Force?

No.

4. What companies operate each of said schools?

No. 1—Dominion Skyways (Training) Ltd.
No. 2—Canadian Airways (Training) Ltd.
No. 3—Prairie Flying School, Ltd.
No. 4—Leavens Bros. (Training) Ltd.
No. 5—Winnipeg Air Observer School, Ltd.
No. 6—Prince Albert Air Observer School, Ltd.
No. 7—Portage Air Observer School, Ltd.
No. 8—Quebec Airways (Observers) Ltd.
No. 9—Dominion Skyways (Observers) Ltd.
No. 10—Northumberland Air Observer School, Ltd.

5. What is the capitalization of each of said companies?

$50,000.

6. When did each of said schools commence operation?

No. 1—27th May, 1940.
No. 2—5th August, 1940.
No. 3—16th September, 1940.
No. 4—25th November, 1940.
No. 5—6th January, 1941.
No. 6—17th March, 1941.
No. 7—28th April, 1941.
No. 8—30th September, 1941.
No. 9—7th July, 1941.
No. 10—21st July, 1941.

7. Who is the manager, assistant manager and secretary-treasurer and/or treasurer in each of said schools, and what salary does each receive?

No. 1—Manager, W. A. McLeod, $5,400; Asst. Treas., W. R. Stephens, $2,700.

No. 2—Manager, W. R. May, $5,850; Asst. Treas., W. L. Parr, $3,250.

No. 3—President and General Manager, R. W. Ryan, $6,000; Sec.-Treas., G. T. Connor, $1,300; Assistant Sec.-Treas., R. L. Bamford, $3,000.

No. 4—President, C. R. Leavens, $7,180; Treasurer, D. W. Forrester, $4,000; Secretary, B. A. O'Brien, $600.

No. 5—Manager, D. S. Ormond, $7,200; Asst. Treas., A. M. Olafson, $2,400.

No. 6—Manager, R. Mayson, $5,400; Asst. Manager, A. R. Eddie, $3,600; Sec.-Treas., H. Holroyde, $3,600.

No. 7—Gen. Manager, A. M. Berry, $6,000; Treasurer, J. R. Giles, $3,600.

No. 8—Gen. Manager, G. R. Beck, $5,700; Asst. Treas., S. J. Billings, $3,600.

No. 9—Gen. Manager, W. Woollett, $6,300; Treasurer, G. H. Turpin, $3,300.

No. 10—Gen. Manager, R. H. Bibby, $6,000; Sec.-Treas., A. B. MacKinnon, $4,000.

8. How much did each of said companies receive every lunar month since it commenced operations as the management fee and what expenditures were made by each under this head for each lunar month since commencement to date?

(a) $2,700 per lunar month.

(b) Lunar month ending (as follows):

	No. 1	No. 2	No. 3	No. 4	Period ending	No. 5	No. 6	No. 7	No. 8	No. 9	No. 10
23/ 6/40	$1,268 99										
22/ 7/40	1,374 23										
18/ 8/40	1,760 02	$1,749 11									
15/ 9/40	1,461 71	2,039 12									
13/10/40	1,461 60	1,913 62	$1,892 24								
10/11/40	1,455 16	2,150 85	1,876 26								
8/12/40	1,351 68	1,989 51	2,101 66	$2,039 05							
5/ 1/41	1,470 12	1,992 94	2,748 26	1,997 30							
2/ 2/41	1,441 16	2,036 40	2,076 61	1,929 00	2/ 2/41	$1,833 31					
2/ 3/41	1,441 16	2,056 48	2,172 25	2,246 23	2/ 3/41	1,885 23					
30/ 3/41	1,441 16	2,016 51	2,165 36	1,966 63	30/ 3/41	2,010 34					
27/ 4/41	1,425 06	2,021 93	2,210 94	1,867 94	27/ 4/41	2,053 05	$1,745 69				
25/ 5/41	1,892 24	2,284 32	2,592 92	1,956 16	25/ 5/41	2,197 37	1,796 73	$1,392 86			
22/ 6/41	946 40	1,738 65	2,990 44	1,817 27	22/ 6/41	2,618 85	2,334 77	1,852 77			
20/ 7/41	1,457 80	1,672 65	2,895 72	1,881 54	20/ 7/41	2,509 22	1,954 80	1,915 95			
17/ 8/41	1,475 71	1,708 20	2,748 22	2,031 42	17/ 8/41	2,594 95	2,059 95	1,904 83		$1,117 66	$1,272 94
14/ 9/41	1,593 79	1,774 47	2,902 04	2,042 11	14/ 9/41	2,760 19	2,272 72	1,942 96		1,294 11	1,307 29
12/10/41	1,618 91	1,716 73	2,686 79	2,028 12	12/10/41	2,589 85	1,934 30	2,084 46	$1,468 09	1,208 55	1,417 67
9/11/41	1,561 39	3,526 95	2,023 36	2,308 33	9/11/41	2,480 74	1,923 40	1,964 46	1,724 78	1,362 32	1,545 39
7/12/41	1,531 26	2,020 72	1,966 89	2,207 78	7/12/41	1,980 52	1,794 55	2,033 57	1,689 05	1,652 56	2,303 49
4/ 1/42	1,912 04	1,930 87	1,934 67	2,254 10	4/ 1/42	2,009 24	2,187 34	2,053 42	1,790 33	1,996 14	1,618 34
1/ 2/42	1,600 32	2,126 45	1,956 62	2,251 97	1/ 2/42	1,953 83	1,877 53	1,954 44	1,948 49	2,021 44	1,553 28
1/ 3/42	1,607 58	2,274 74	2,023 44	2,209 98	1/ 3/42	1,975 57	1,819 58	2,032 05	1,631 66	2,232 27	1,491 28
29/ 3/42	1,636 49	2,247 99	1,950 96	2,350 84	29/ 3/42	2,770 04	1,838 24	1,932 02	1,989 58	2,117 82	1,439 82
26/ 4/42			2,176 27		26/ 4/42	1,790 82	2,167 28	2,227 95		2,096 06	

9. How much did each of said companies receive for every 24-week period since commencement of operations for operation and maintenance? What was the disbursement for each said period under this head?

	Received	Disbursed
No. 1 A.O.S. Dominion Skyways (Training) Limited		
24-week period of operations—		
1st	$148,250	$128,109 05
2nd	150,000	147,770 20
3rd	159,900	157,582 30
4th	212,400	181,839 75
No. 2 A.O.S. Canadian Airways (Training) Limited		
24-week period of operations—		
1st	146,090	112,515 14
2nd	147,000	139,213 82
3rd	164,700	157,050 50
No. 3 A.O.S. Prairie Flying School, Limited		
24-week period of operations—		
1st	146,090	126,845 51
2nd	150,000	140,652 83
3rd	190,000	183,020 38
No. 4 A.O.S. Leavens Bros. (Training) Limited		
24-week period of operations—		
1st	146,090	127,241 47
2nd	152,400	153,738 58
3rd	213,800	200,378 96
No. 5 A.O.S. Winnipeg Air Observer School Limited		
24-week period of operations—		
1st	146,090	125,962 59
2nd	170,700	192,807 91
No. 6 A.O.S. Prince Albert Air Observer School, Limited		
24-week period of operations—		
1st	146,090	148,267 20
2nd	191,890	205,985 72
No. 7 A.O.S. Portage Air Observer School, Limited		
24-week period of operations—		
1st	148,700	109,998 40
2nd	214,500	204,920 89
No. 8 A.O.S. Quebec Airways (Observers) Limited		
24-week period of operations—		
1st	193,030	187,802 57
No. 9 A.O.S. Dominion Skyways (Observers) Limited		
24-week period of operations—		
1st	165,530	151,826 72
No. 10 A.O.S. Northumberland Air Observer School Limited		
24-week period of operations—		
1st	173,430	131,521 60

10. What is the total amount on hand under the head of operation and maintenance at the end of the last 24-week period?

$356,400.61.

11. What percentage does the operating company receive of the proceed on hand under the head of operation and maintenance at the end of each 24-week period? and at the termination of the period provided for under the contract under which the said companies operate?

(a) None.

(b) Upon the termination of the contract the operating company is entitled to receive 25 per cent of the net savings, if any, on operation and maintenance—subject to all properties and equipment being returned to the crown in a condition satisfactory to the minister.

12. What were the profits before payment of taxes made by each of the said companies in each 24-week period (a) when consideration is given to the company's share of the savings under operation and maintenance account? (b) when no consideration is given to the savings under said account?

	No. 1	No. 2	No. 3	No. 4	No. 5	No. 6	No. 7	No. 8	No. 9	No. 10
	Malton	Edmonton	Regina	London	Winnipeg	Prince Albert	Portage la Prairie	Ancienne Lorette	St. Johns	Chatham
1st Period of 24 weeks	$	$	$	$	$	$	$	$	$	$
Management savings.....	7,418 29	4,364 85	3,332 72	4,153 85	3,601 85	4,055 34	5,106 17	5,947 60	7,568 66	6,734 88
Flying hours' profit.....	5,750 00	5,320 00	4,999 00	6,347 00	5,344 50	4,202 60	2,903 80	3,018 40	2,996 35	2,438 45
	13,168 29	9,684 85	8,331 72	10,500 85	8,946 35	8,257 94	8,009 97	8,966 00	10,565 01	9,173 33
Bonus on savings in operation and maintenance..	5,035 12	8,393 71	4,811 12	4,712 13	5,031 85	Dr. 544 30	9,675 40	1,306 86	3,425 82	10,477 10
	18,203 41	18,078 56	13,142 84	15,212 98	13,978 20	7,713 64	17,685 37	10,272 86	13,990 83	19,650 43
2nd Period of 24 weeks										
Management savings.....	7,627 66	4,045 71	596 40	4,403 38	1,284 53	4,663 30	4,230 04			
Flying hours' profit.....	8,318 00	8,157 80	6,105 20	3,801 75	3,300 50	3,168 20	3,701 95			
	15,945 66	12,203 51	6,701 60	8,205 13	4,585 03	7,831 50	7,931 99			
Bonus on savings in operation and maintenance..	1,182 45	1,946 80	2,336 79	Dr. 334 65	Dr. 5,526 98	Dr. 3,523 93	2,394 78			
	17,128 11	14,150 31	9,038 39	7,870 48	Dr. 941 95	4,307 57	10,326 77			
3rd Period of 24 weeks										
Management savings.....	7,221 15	3,780 28	2,729 63	2,617 00						
Flying hours' profit.....	4,519 35	3,550 40	3,406 50	3,101 35						
	11,740 50	7,330 68	6,136 13	5,718 35						
Bonus on savings in operation and maintenance..	1,204 43	1,912 37	1,744 91	3,355 26						
	12,944 93	9,243 05	7,881 04	9,073 61						
4th Period of 24 weeks										
Management savings.....	6,350 92									
Flying hours' profit.....	3,313 10									
	9,664 02									
Bonus on savings in operation and maintenance..	6,390 06									
	16,054 08									

13. Do any of the said companies operate directly or indirectly as subsidiaries of other companies? If so, give particulars?

No. 1 A.O.S. Malton, operated by Dominion Skyways (Training) Ltd. subsidiary of Canadian Pacific Air Lines, Limited.

No. 2 A.O.S. Edmonton, operated by Canadian Airways (Training) Ltd. subsidiary of Canadian Pacific Air Lines, Limited.

No. 3 A.O.S. Regina, operated by Prairie Flying School, Ltd., was subsidiary of Prairie Airways, Ltd.—now independent.

No. 4 A.O.S. London, operated by Leavens Bros. (Training) Ltd. sponsored by Leavens Bros. Air Services, Ltd.

No. 5 A.O.S. Winnipeg, operated by Winnipeg Air Observer School, Ltd. subsidiary of Canadian Pacific Air Lines, Ltd.

No. 6 A.O.S. Prince Albert, operated by Prince Albert Air Observer School, Ltd.—an independent company.

No. 7 A.O.S. Portage la Prairie, operated by Portage Air Observer School, Ltd. subsidiary of Canadian Pacific Air Lines, Limited.

No. 8 A.O.S. Ancienne Lorette, operated by Quebec Airways (Observers) Ltd. subsidiary of Canadian Pacific Air Lines, Limited.

No. 9 A.O.S. St. John P.Q., operated by Dominion Skyways (Observers) Ltd. subsidiary of Canadian Pacific Air Lines, Limited.

No. 10 A.O.S. Chatham, N.B., operated by Northumberland Air Observer School, Limited —an independent company.

14. Did any of the said companies make payment of any sums to a parent company out of the moneys received from the government as management fee? If so, (a) what are the names of the said companies? (b) What was the total amount paid by said companies to the parent company?

The following operating companies have paid to their parent companies, out of the fixed management fee, the amounts set opposite their names to cover the estimated cost of procuring skilled personnel (both flying and ground trades) exercising general supervision, supplying certain extra tooling equipment, as well as to reimburse travelling and legal expenses and to cover secretarial duties, vide, evidence submitted before the parliamentary committee of enquiry.

No. 1 A.O.S.—Dominion Skyways (Training) Limited, $12,000.

No. 2 A.O.S.—Canadian Airways (Training) Limited, $11,000.

No. 3 A.O.S.—Prairie Flying School, Ltd., $2,500.

No. 4 A.O.S.—Leavens Bros. (Training) Limited, $10,500.

No. 5 A.O.S.—Winnipeg Air Observer School Limited, $8,500.

No. 7 A.O.S.—Portage Air Observer School Limited, $6,000.

No. 8 A.O.S.—Quebec Airways (Observers) Limited, $3,500.

No. 9 A.O.S.—Dominion Skyways (Observers) Limited, $5,000.

15. What undivided profits if any remain in the hands of the said companies as the last statement or report given to the government?

Answered by No. 10.

16. What profit per flying hour is provided in the agreement between the government and each of the said companies? Has any reduction thereof taken place? If so on what date and does such reduction apply and is it being accepted by all the said companies?

The contract originally provided $1 profit per flying hour. As increased pupil population demanded increased flying hours, the profit was reduced to 35 cents per flying hour, effective as from 1st June, 1941. All companies volunteered reduction and contracts were amended accordingly, on 6th October, 1941.

17. Was reduction from $1 to 35 cents per hour recommended by war expenditure committee incorporated in new agreement?

Answered by No. 16.

18. When were new contracts drawn up?

Answered by No. 16.

19. Is there any control over the profits of these companies?

Answered by No. 16.

20. On what dates were the 6 companies now owned by C.P.R. taken over from original companies?

Canadian Pacific Air Lines Limited completed the purchase of the controlling interest of the holding companies on 19th December, 1941.

21. Was there a new A.O.S. contract drawn up in April, 1942?

No.

22. Do shareholders get a 5 per cent dividend?

Companies are authorized to pay 5 per cent per annum on subscribed capital.

QUESTIONS PASSED AS ORDERS FOR RETURNS

R.C.A.F. TRAINING CENTRES

Mr. WINKLER:

1. How many training schools are there under the Royal Canadian Air Force?

2. Of these, how many are located in centres possessing other war industries, and what are the names of these centres?

3. Have any bonus or consideration or anything in the form of services been offered by civic corporations to the government in order to assist or induce the construction of air training centres?

4. If so, what are these and where?

RECRUITING AND MILITARY TRAINING IN SASKATCHEWAN

Mr. BLACKMORE:

1. How many men have been recruited for the army in the province of Saskatchewan during the present war?

2. How many soldiers of the active Canadian army are being trained in Saskatchewan in 1942?

3. What was the maximum number of soldiers being trained in Saskatchewan during each of the years 1939, 1940 and 1941?

MEMBERS OF PARLIAMENT SENT OUTSIDE CANADA

Mr. SHAW:

1. Were any members of parliament sent outside of this country by or for the dominion government since the beginning of this session?

2. If so, who were they? Where have they been sent? How long have they been away from this country? What were their duties, remuneration, living allowances and travelling expenditures?

Mr. POWER: I should like to make an inquiry of the hon. member who is asking this question. Does he intend his question to cover members of parliament who are overseas with the armed forces? In any case the question will be passed as an order for return, but I should like to know whether the hon. member wants that information.

Mr. SHAW: I did not have that in mind when asking the question.

Mr. POWER: It will be passed as an order for return with the limitation that it will not include members of parliament who are overseas with the armed forces.

Mr. SHAW: Yes.

CANADIAN ARMY—CONDITIONS IN DETENTION BARRACKS

Mr. CHURCH:

1. What action is the government taking with regard to conditions at detention barracks of those who belong to his majesty's forces in Canada and are any improvements to be carried out in the near future?

[Mr. Power.]

2. Will any departmental investigation be undertaken as to treatment, training, accommodation and feeding of these soldiers while under sentence in military prisons and detention barracks?

NATIONAL FILM BOARD—WESLEY GREENE

Mr. FRASER (Peterborough West):

1. Is Wesley Greene employed by the national film board?

2. If so, in what capacity?

3. When was he first employed by the national film board?

4. In what capacity?

5. On what date did his present appointment commence?

6. Is he a citizen of the United States of America?

7. At the time of his first appointment, was he the owner or part owner and/or manager of either the College Film Center or the International Film Center or both?

8. Are these two organizations, or either of them, engaged in the commercial enterprise of selling and distributing films in the United States?

9. Is he still associated with the ownership and management of either or both of these organizations?

10. If so, in what capacity?

11. At any time since the first engagement of Wesley Greene by the national film board have either the College Film Center of Chicago, Ill., U.S.A., or the International Film Center of Chicago, Ill., U.S.A., been engaged in the sale or rental of copies of films produced by the national film board?

12. At any time was either of these two organizations granted any form of exclusive rights to sell and rent copies of films produced or released by the national film board in any part of the United States?

13. Are either of these organizations now engaged in the sale or rental of copies of films produced by the national film board, and do they, or either of them, now enjoy exclusive rights to the sale or distribution of copies of such films in any part of the United States?

14. Between August 1, 1941, and January 31, 1942, did Wesley Greene make his headquarters in Chicago, Ill., U.S.A.?

15. During that time, or any part of it, was he directly associated with the management of the College Film Center or the International Film Center?

16. Between August 1, 1941, and January 31, 1942, was he in receipt of a regular monthly or weekly salary or fee from the national film board?

17. If so, what was the amount?

18. In addition to any such salary or fee, did he, during this period, receive any commission on the sale or rental of copies of films produced or released by the national film board?

19. What was the total amount paid to him by the national film board for travelling expenses between August 1, 1941, and January 31, 1942?

20. Was he in receipt of living expenses while in Ottawa during this period?

21. If so, what is the total amount paid to him?

22. On what date did he enter Canada to accept his present position?

23. Did he enter Canada as an immigrant or as a United States citizen accepting employment in Canada?

24. Was he granted a permit to enter Canada as a United States citizen to accept employment?

25. If so, on what grounds and for what period?

26. Before such permit was granted, what steps, if any, were taken by the immigration authorities to ascertain whether any British subject, resident in Canada, with appropriate experience and qualifications was available to fill the position which Wesley Greene entered Canada to accept?

27. Was the position of supervisor of film distribution of the national film board established prior to the appointment of Wesley Greene?

28. If so, on what date?

29. If previously established, was this position filled prior to the appointment of Wesley Greene?

30. If so, by whom and at what salary or fee?

31. When did the previous incumbent of the position cease to be employed and for what reason?

32. Has the previous incumbent of the position of supervisor of film distribution been reemployed by the national film board and, if so, on what date was he first so reemployed, in what capacity and at what salary?

33. Is the employment of Wesley Greene temporary?

34. If so, for what period?

35. If not temporary or for a stated period, is it the intention of the national film board to advertise the position and fill it by competitive examination or will the board seek authority to confirm Wesley Greene in the position either permanently or for an indefinite period without affording others who may possess the appropriate experience and qualifications an opportunity to qualify for appointment?

CANADIAN ARMY—OFFICERS

Mr. CASSELMAN:

1. How many of the officers on the reserve list at the outbreak of war now hold commissions in the Canadian army?

2. Of the above how many are, (a) active army, (b) reserve army?

VICTORY LOANS—PICTOU COUNTY, N.S.

Mr. BLACK (Cumberland):

1. What were the (a) salaries, (b) commissions, (c) expenses, incurred in Pictou county, Nova Scotia, in connection with each of the last two victory loan campaigns?

2. To whom were such payments made?

3. What was the total amount subscribed in Pictou county, Nova Scotia, in each campaign?

ADJUTOR SAVARD

Mr. FRASER (Peterborough West):

1. What position did Adjutor Savard hold with the R.C.A.F. overseas?

2. What were the duties of that position?

3. What were his qualifications for that position?

4. What salary and/or pay and allowances did he receive?

5. Is he still connected with the R.C.A.F.?

6. If so, what duties is he performing?

7. What salary and/or pay and allowances does he receive?

8. Did he complete the duties for which he was sent to England?

9. If so, why has he been brought back to Canada?

10. What results, if any, were achieved by his mission in England?

11. Has his position overseas been fitted by the appointment of any other person?

12. If so, by whom has it been filled?

Mr. FRASER (Peterborough West):

What is the total amount which has been paid to Adjutor Savard from the public treasury for any duties performed by him for any department of the government since October 23, 1935, specifying the amount paid by each department and the services rendered in each instance?

NATIONAL FILM BOARD—WALT DISNEY PRODUCTIONS, INC.

Mr. MacKINNON (Kootenay East):

1. How many films have been produced for the national film board by Walt Disney Productions, Inc., of Hollywood, California?

2. What is the name of each such film, its length and its total cost including all positive prints supplied to the national film board?

3. For what government department or governmental organization was each such film produced and for what purpose?

4. What government department or governmental organization defrayed the cost of each such film and from what vote or appropriation was the cost of each such film defrayed?

SIR EDWARD PEACOCK AND SIR ARTHUR SALTER

Mr. POULIOT:

1. Was the hon. Minister of Finance in Ottawa on or about June 25, 1941?

2. If not, was there at the time an acting Minister of Finance?

3. If so, was it the hon. Minister of National Defence?

4. If so, did he meet either Sir Edward Peacock or Sir Arthur Salter, or both, around that time?

5. Were Sir Edward Peacock and Sir Arthur Salter also met on that or on other occasions by the hon. Minister of Munitions and Supply in United States or in Canada, or in both countries?

MOTIONS FOR PAPERS

BUILDING OF STAFF AND PREFABRICATED HOUSES

Mr. NICHOLSON:

For a return showing plans, specifications and other details prepared by national housing administration, with a view to building staff houses and prefabricated houses prior to the incorporation of Wartime Housing Limited.

PENSIONS—MERCHANT SEAMEN AND SALT-WATER FISHERMEN

Mr. GILLIS:

For a copy of all correspondence, telegrams, recommendations, orders in council and other documents passing between the Department of Pensions and National Health and the treasury branch, relative to the inclusion of merchant seamen and salt-water fishermen under the terms of the Canadian Pensions Act.

Mr. ILSLEY: It has not been the practice to include interdepartmental correspondence in returns brought down to the house, and I shall have to take exception to the part of the motion calling for such correspondence.

Mr. SPEAKER: Carried with the reservation stated.

NATIONAL FILM BOARD—A. G. MCLEAN

Mr. STOKES:

For a copy of all correspondence, reports or other documents in the possession of the Minister of National War Services, the Minister of Trade and Commerce, the Deputy Minister of National War Services, the Deputy Minister of Trade and Commerce or any other official of either department, the Prime Minister, the Minister of Mines and Resources, the civil service commission or any official thereof, the national film board or any official thereof, with reference to the appointment, assignment or loan of A. G. McLean to the position of secretary and controller of the national film board.

Mr. THORSON: There would be a limitation as to documents that may be privileged communications; otherwise there is no objection to the motion passing.

Mr. HANSON (York-Sunbury): What particular privilege would attach to anything like this? It simply calls for correspondence with reference to the assignment or loan of a particular person to the position of secretary and controller of the national film board.

Mr. THORSON: There might, for example, be communications between the minister and his deputy, or vice versa. Communications between departments relating to the assignment or loan of Mr. McLean might be quite in order.

NATIONAL FILM BOARD—EMPLOYMENT OF STAFF

Mr. STOKES:

For a copy of all rulings made by treasury board since November 1, 1940, on the question whether the National Film Board Act gives authority for employment of staff without prior approval of the establishment by treasury board and also on the question whether the National Film Board Act should be interpreted as applying to persons employed casually for the duration of individual projects and not to any person continuously employed.

[Mr. Pouliot.]

Mr. THORSON: Stand.

Mr. HANSON (York-Sunbury): Why does the minister ask that this motion stand? If there is a ruling of the treasury board, we should have it. It is a public document.

Mr. THORSON: My understanding is that rulings of the treasury board may be privileged. Minutes of the treasury board may not be.

Mr. HANSON (York-Sunbury): I dissent from that. A ruling of the treasury board is a public document.

Motion stands.

GOVERNMENT FILM COMMISSIONER

Mr. ROSS (St. Paul's):

For a copy of all reports made by John Grierson to the government or any minister or official thereof prior to his appointment as government film commissioner.

HONG KONG COMMISSION—GEORGE DREW

Mr. POULIOT:

For a copy of the order in council for the appointment of Mr. George Drew as the representative of the hon. leader of the opposition on the Hong Kong probe.

Mr. POWER: Carried.

Mr. HANSON (York-Sunbury): I should like to make one observation with respect to this motion. Colonel George Drew was appointed not by order in council but by the Chief Justice of Canada, who had asked me to nominate counsel for the inquiry. I have the correspondence.

Mr. POWER: I had forgotten. I quite agree with the leader of the opposition that that was the case.

Mr. SPEAKER: Dropped.

Mr. POULIOT: Can a motion be dropped after it has been carried?

Mr. POWER: If my hon. friend insists, he will have the report anyway.

Motion dropped.

FUEL OIL

RESTRICTIONS ON USE—FOR HEATING PURPOSES

On the orders of the day:

Mr. KARL K. HOMUTH (Waterloo South): In view of the answer given to me by

the Minister of Munitions and Supply a few days ago with respect to the restrictions on the use of fuel oil, and the subsequent modification of his statement and the protests that I and others have made as a result of the minister's announcement, may I ask him if some time this week he would give the house a complete clarification of the whole order so that people will be in a position to make their own heating arrangements in accordance with the situation as then outlined?

Hon. C. D. HOWE (Minister of Munitions and Supply): No order as yet has issued from the oil controller's office on this subject, but I expect that an order will issue very shortly. At that time I shall be very glad to make a statement to the house and to clarify the situation as much as possible.

GASOLINE

REDUCTION IN VALUE OF RATION COUPONS IN MARITIME PROVINCES

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): May I ask the Minister of Munitions and Supply whether he will reconsider the position with respect to the limitations imposed on the eastern provinces in gasoline rationing? I find that there is a good deal of uninformed criticism—I will put it that way—of the minister's action. I have not joined in the hue and cry after the oil controller because I think I understand the position; but it would be, I think, in the interests, shall I say, of national unity if that situation were corrected as soon as possible. May I ask the minister whether he and the oil controller will give consideration to the fact that the coupon holders have lost 60 per cent of what may be a very limited supply of gasoline left to them? Perhaps, should conditions warrant, some arrangement may be made to make up that loss to the coupon holders.

Hon. C. D. HOWE (Minister of Munitions and Supply): The purpose of rationing is to divide available supplies of gasoline as fairly as possible. The situation in the Halifax refining area permits only a certain amount of gasoline to be available, which in the opinion of the oil controller warrants the present allowance per coupon. I do not know that anything more can be done to divide more fairly, pending an increase in supply being available. It has been suggested that we let the coupons stand and allow the dealers to ration. We tried that before rationing came in, and there was a great deal of objection to it from hon. members. It is the only alternative I know of. That would, of course, mean first come first served, and a great many people would not be able to get gasoline for their coupons. In our opinion the present method is the fairest, and until supplies are more abundant there is nothing very much we can do about it.

Mr. HANSON (York-Sunbury): Certain wholesale dealers in the maritime provinces say they have on hand an ample supply of gasoline. It was reported to me that one man had three million gallons in storage.

Mr. HOWE: If that is the case I shall be very glad to take appropriate action.

Mr. HANSON (York-Sunbury): I will give the minister his name.

Mr. HOWE: I should be glad to have it; but I am confident that no such supply exists. The situation has been canvassed very carefully.

WAR APPROPRIATION BILL

AMENDED SCALE OF PAY AND ALLOWANCES FOR NAVAL SERVICES

On the orders of the day:

Mr. A. H. BENCE (Saskatoon City): I wish to address a question to the Minister of National Defence for Naval Services. On May 8 the minister advised the committee, concerning his estimates on the appropriation bill, that he would place on *Hansard* the amended scale of pay and allowances with respect to the naval services. So far as I am aware that has not been done. Could the minister give us that information? We have similar information already in connection with both the army and the air force.

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): I am glad my hon. friend raised that point. I tabled rates of pay on the date promised, two weeks ago to-day, and it was only this morning that, looking over *Hansard* for that day and the day following, I observed that this information had not been placed on *Hansard*. Apparently it was felt that tabling the information was the appropriate way of answering the question, as on an order for return, but I will speak to the Clerks and see that the figures appear in *Hansard* to-morrow.

BUSINESS OF THE HOUSE

VICTORIA DAY

On the orders of the day:

Mr. JEAN FRANÇOIS POULIOT (Témiscouata): As this is Victoria day, sir, may I ask the leader of the house if we shall sit to-night?

Mr. CRERAR: Yes, it is the intention that the house shall sit.

LABOUR CONDITIONS

BANQUE CANADIENNE NATIONALE—STRIKE OF EMPLOYEES

On the orders of the day:

Mr. WILFRID LaCROIX (Quebec-Montmorency): May I direct a question to the Minister of Labour? What have been the results of the intervention of the department in connection with the strike of employees of the Banque Canadienne Nationale in Montreal to secure justice from their employers?

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, this question was raised by the hon. member for Vancouver East (Mr. MacInnis) on May 14, when a strike had been called of the employees of this bank. On that occasion I pointed out that a dispute of this kind did not come within the jurisdiction of the federal Department of Labour. However, we have always endeavoured in every way possible to compose differences between employers and employees, and we sent in a conciliation officer in the hope of arranging a satisfactory settlement. He was able to arrange for a conference between the organization and the bank manager; unfortunately the manager was not willing to continue with the negotiations.

Mr. HOMUTH: He looked with his glass eye, did he?

Mr. MITCHELL: I do not know whether he has a glass eye; the hon. member probably knows him better than I do. I said at that time I regretted that in this day and age such a position should be taken, but in view of the lack of authority and jurisdiction on the part of the federal government the matter was one for the government of the province of Quebec to deal with. I do think it is regrettable that the negotiations could not have been continued so that an amicable settlement might have been made of the dispute.

PETROLEUM

REPEAL OF PETROLEUM AND NAPHTHA INSPECTION ACT

Hon. C. W. G. GIBSON (Minister of National Revenue) moved the third reading of Bill No. 2, to repeal the Petroleum and Naphtha Inspection Act.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I understand that in my absence the minister turned a cold and stony eye on the observations I made on a previous occasion with regard to this bill. I assume he considered the matter carefully with the officials of the branch of his department concerned. I had hoped that they would find some merit in the observations I then made. I still think they had merit. I still believe the day will come when it would be useful to have preserved some of the powers which I suggested should be preserved.

Motion agreed to and bill read the third time and passed.

INCOME AND CORPORATION TAX

AGREEMENT WITH PROVINCES—COMPENSATION FOR VACATING TAX FIELDS AND ARRANGEMENTS FOR SUBSIDIES

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of Bill No. 16, to authorize the governor in council to enter into agreements with the governments of the provinces of Canada respecting the vacation by the provinces of the personal income and corporation tax fields for the duration of the war.

He said: This bill received its first reading on March 23. There was very little discussion at that time because the house was requested to defer discussion until the bill was in committee on its second reading. At various times, however, the house has had an opportunity of discussing the general principles of the bill.

During the budget debate last year there was some discussion of the general principle. Then again there was discussion when vote 476 of the supplementary estimates for the last fiscal year was passed by the house. During the present session of parliament, various questions have been asked and statements made in regard to the dominion-provincial tax agreements, and the agreements themselves together with the correspondence with the provinces in regard to the agreements have been tabled.

Mr. HANSON (York-Sunbury): The completed agreements?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Not the draft agreements?

Mr. ILSLEY: No. I think the complete agreements have been tabled; in fact I am sure that they have.

Vote 476 in itself constituted authority to enter into these agreements and to make the payments required thereby, excepting any payments arising out of the guarantee of provincial receipts from gasoline taxes. It had been the intention of the government to submit an estimate in each succeeding year for the term of the agreement covering the exact payments to be made to each province including any payments on account of the

gasoline tax revenues. It will be remembered, however, that one of the provinces raised the question that while in signing the agreement it would be binding itself for the full term of the agreement, the compensating payments to be made by the dominion would be dependent upon the passing of an annual vote in the dominion parliament. I therefore agreed to introduce the present bill which would give continuing statutory authority to make the annual payments required for the duration of the agreements.

With regard to the general principles, as I have intimated, there has already been a great deal of discussion of the general principles of this bill, and I think the house is wholly familiar with them. This should make it unnecessary for me to make an extended statement at this time. Perhaps, however, I may summarize the essential features of the legislation and of the agreements.

What the provinces are required to do is to vacate the personal income and corporation tax fields for the duration of the agreement, which will run until one year after the cessation of hostilities, although, as the house will remember, provision is made by which any province may terminate the agreement at the end of any fiscal year if notice of its intention to do so is given in writing to the Minister of Finance, thirty days before such date. Income and corporation taxes are carefully defined in the agreements. In general, corporation tax includes any tax or fee the imposing of which singles out for taxation or for discriminatory rates or burdens of tax, either formally or in effect, corporations or any class or classes of corporations or any individual corporation, but excludes certain bona fide and reasonable licences or fees and business or occupancy taxes, and certain other taxes imposed by municipalities. Income tax is defined to mean any tax imposed upon the net income of a corporation or upon the net income or gross income of an individual or partnership, and includes a poll or head tax based on income. In compensation for the vacation by the provinces of these tax fields, the dominion agrees to make certain annual payments and to give as well a guarantee of gasoline tax receipts.

In regard to the annual payments, the house will remember that the provinces were given two options. They might elect either to receive an annual payment equal to the actual cash revenues received by the province from the taxes temporarily suspended during the fiscal year of the province ended nearest to December 31, 1940; or alternatively to receive an annual payment equal to the cost of the net debt service actually paid by the province during its fiscal year ended nearest to December 31, 1940, not including contributions to sinking funds, less the revenue obtained from succession duties, during the said fiscal year. In addition, the offer I made in the budget provided that such annual payments might be augmented by providing fiscal need subsidies in cases in which it could be shown that these were necessary. This provision is implemented in the agreements which have been tabled in the house. The house will remember that the special amounts paid in recent years to the three maritime provinces and to Manitoba, Saskatchewan and British Columbia and which were voted annually by parliament were discontinued.

Finally, the agreement provides for a guarantee by the dominion of the amount of the net receipts by the province from gasoline taxes during its fiscal year ended nearest to December 31, 1940. I may add that agreements have already been entered into under authority of vote 476 of last year's supplementary estimates with all of the provinces except Quebec. In the case of Quebec, the provincial bill suspending income and corporation taxes and giving authority to the provincial government to enter into the agreement is either still before the legislature or has only recently been passed. It is my intention to sign the agreement with Quebec under the authority of the present bill, when it has been enacted, and when the necessary action has been taken by the province of Quebec, if it has not already been taken.

The bill itself is a simple instrument giving formal authority to the Minister of Finance, with approval of the governor in council, to enter into an agreement along the lines I have mentioned, with the government of any of the provinces of Canada and to make the payments and give the guarantees required. Two or three of the amounts contained in the agreement are incorrect in certain particulars. One of the amounts is incorrect because of a clerical error, and two of the others will have to be corrected to a very small extent by reason of small mistakes having been discovered since the bill was printed. Section 2 gives formal authority to enter into the agreements. It may be said that this section is unnecessary because of vote 476 passed last year, but I think it is desirable to have this formal authority set out in the terms of the statute. The statute is to be known as the Dominion-Provincial Taxation Agreement Act, 1942.

Section 3 provides continuing statutory authority to make annual payments to the provinces equal to the yield of the taxes temporarily suspended by the province, or

to the cost to the province of its net debt service in the fiscal year ended nearest to December 31, 1940, with the deduction that I have mentioned. In the case of five provinces, namely, British Columbia, Alberta, Manitoba, Ontario and Quebec, the option selected is the tax option, and the amounts payable are as shown in the bill, except that in the case of Manitoba the correct amount is $5,054,740.92 instead of $5,634,740.92. That is the clerical error which I mentioned. I should point out that the figures shown, like all other figures in the bill, represent the results of a careful audit of provincial books by an auditor appointed by the dominion for this purpose. The other four provinces, Nova Scotia, New Brunswick, Prince Edward Island and Saskatchewan, selected the debt option, and the amount paid to each of these provinces is as shown in the bill. I would, however, ask the house to note the proviso clause at the end of section 3. It will be noted that any arrears of personal income and corporation taxes collected by the province after the close of its fiscal year ended nearest to December 31, 1940, may, in accordance with and subject to the terms and conditions set out in the agreement, be deducted from the annual amount payable to the province. The amounts so deducted are to be paid to the provinces after the termination of the agreement.

The general effect of this proviso is to assure that each province will have revenues accruing to it during the year following the termination of the agreement, and that the revenues during the war years will not be abnormally inflated. It is obvious that after the agreement terminates it may take some little time to get started again the collection of personal income and corporation tax revenues, and were it not for this provision provincial revenues would therefore be unduly low in the first year following the agreement.

Clauses 11 to 15 of the agreement deal with the way in which annual payments are to be made by the dominion, and the terms and conditions under which the deductions are to be made. Reference to these clauses will facilitate an understanding of the precise meaning of the proviso clause in section 3 of the bill.

Section 4 of the bill provides for the payment of fiscal need subsidies during each year of the term of the agreement to the provinces of Nova Scotia, New Brunswick, Prince Edward Island, Manitoba and Saskatchewan. When this clause is under detailed consideration by the committee I shall explain the basis upon which these fiscal need subsidies have been calculated. I may point out however that in considering them the house should remember that the special grants previously voted annually to all the five provinces involved, as well as British Columbia, have been dropped. The amount of subsidy in the case of Nova Scotia should be $325,769.31 instead of the amount printed in the bill, $324,122.10.

Section 5 of the bill is the clause relating to the guarantee of gasoline revenue. The amounts set out after the names of the provinces represent the net receipts from the tax imposed by each province on the sale of gasoline during its fiscal year ended nearest to December 31, 1940, as determined by the dominion audit, except that the amount for New Brunswick should be $2,101,072.01 instead of the amount of $2,104,685.81 as shown in the bill. It is apparent that this section of the bill is going to prove a very important one for all provinces. In view of the increasingly severe war-time restrictions being placed on the use of gasoline and the shortage of rubber for rubber tires I am convinced that were it not for this tax agreement, including this particular clause, several at least of the provinces would inevitably have to face acute financial problems which presumably would have had to be solved otherwise by *ad hoc* solutions of a less fundamentally sound character.

Section 6 of the bill merely makes the payments to be made to the provinces pursuant to the agreements a charge upon the consolidated revenue fund and payable out of any unappropriated moneys forming part thereof.

Section 7 of the bill provides that the act shall be deemed to have come into force on March 15, 1942.

The bill by its nature is one which can be discussed more satisfactorily in committee of the whole house, and when we get into committee I shall try to answer any questions that may be asked by hon. members.

Hon. R. B. HANSON (Leader of the Opposition): The Minister of Finance has given us a rather meagre sketch of the provisions of this bill. As the subject is one which demands a great deal of study on the part of hon. members—and I trust they have studied these agreements—I desire to make some brief observations with regard to it, reserving detailed questions, as the minister has suggested, until we reach the committee stage.

It will be remembered that the genesis of this proposal was contained in the Rowell-Sirois report—in much larger form than the present arrangement; but that was its true origin. I assume every hon. member has read that report, especially the part relating to this

matter. Hon. members will recall that in consideration of the assumption by the dominion of the burden of unemployment relief and certain other social security measures, and of the deadweight cost of the provincial debt service, it was recommended in that report that the provinces should relinquish the tax on personal incomes and a multitude of other taxes levied principally against corporations, and succession duties. As hon. members know, the report itself proved abortive, or at least it was so treated that the proposals of the report were not adopted.

Now the minister has tried another scheme which as I apprehend it is not nearly so far-reaching as the recommendations of the Sirois report. But it is a very important matter. It strikes at one of the fundamental principles of our system of confederation. It constitutes a direct encroachment on the heretofore existing taxation rights of the provinces. I have no doubt that by certain of the provinces it has been agreed to with considerable reluctance. So far as my own province is concerned I would say that this agreement will be a benefit to it. The New Brunswick authorities have probably driven a rather good bargain with the minister; but there are some inequities and some inequalities with respect to the municipalities of that province, to which I have alluded on former occasions and to which I shall direct attention briefly this afternoon.

The question of the elimination of the provinces in the field of succession duties has been dropped. I regret that exceedingly. I am not an out-and-out proponent of the centralization theory, but it has its advantages. There should be one succession duty taxation measure in this dominion and one only. But that seems impossible of accomplishment. We have the spectacle in this country of the same dollar being taxed twice, if taxable at all; I could give examples of the same dollar of value being taxed at least three times. Of course that is only justified in the case of the dominion on the principle of necessity. I regret that the minister did not pursue his efforts to persuade the provinces to vacate the succession duty field. But I am aware of the extreme opposition that developed in certain provinces with respect to this important matter; they have looked upon that field of taxation as their own and are not willing to give it up.

These proposals in their present form certainly visualize the principle of encroachment upon provincial rights of taxation and upon the whole matter of provincial autonomy. I do not propose to raise any debate on that point. I know there are two schools of thought in this dominion, and that in some of the provinces provincial autonomy is adhered to very strongly. But there is no doubt that the vacation by the provinces of the field of direct taxation in relation to incomes of corporations in favour of the dominion is a very distinct change and one more step towards centralization. I do not object to that at the moment, although if it were to be permanent it would deserve a great deal of study at the hands of the membership of this house.

Of course it may be argued that there are compensations. Undoubtedly there are. And I warn the house that the compensations that will be payable under this measure and under these agreements will be very much larger than any that the minister visualized when he made his former statement. It will be recalled that in his budget speech of April 29, 1941, the minister referred at considerable length to his offer to the provinces. In doing so he mentioned the position taken in a budget speech by his predecessor, the present Minister of National Defence. He stated then that after the most careful consideration of all the questions involved, the government had reached the conclusion that the rates of personal and corporation income taxes should be raised by the dominion to the maximum levels which would be reasonable at this time, if the provinces were not in those fields. Their plans were drawn therefore on that basis, and in due course, he said, he would outline proposals to increase the minimum rates of corporation income tax to 40 per cent; to increase the rates of personal income national defence tax. Then he put upon the record what the concrete proposals were, as follows—

> —that the dominion will offer to pay each year for the duration of the war, to any province which, together with its municipalities, will temporarily vacate the personal income tax and corporation tax fields either
>
> (a) The revenues which the province and its municipalities actually obtained from these sources during the fiscal year ending nearest to December 31, 1940, or
>
> (b) The cost of the net debt service actually paid by the province during the fiscal year ending nearest to December 31, 1940 (not including contributions to sinking funds), less the revenue obtained from succession duties during that period.

Then he went on to say:

> Such payments will be augmented by appropriate fiscal-need subsidies where it can be shown that these are necessary.

And he made the further declaration—

> . . . it is proposed to discontinue the present special grants which are voted annually by parliament.

Those are grants arising in the case of the maritime provinces out of the Duncan report and the White report, and special provisions made for the province of British Columbia.

Mr. ILSLEY: And two others, namely, Saskatchewan and Manitoba.

Mr. HANSON (York-Sunbury): Yes; for the moment I had forgotten about them. Then the minister went on to emphasize that this was not an attempt to get the provincial tax field permanently. I have one observation to make in connection with this latter statement, and it is this, that having regard to the gigantic expenditures the dominion is obliged to make in respect to the war, I see no possibility of our vacating in any degree—at least, if at all, in a very minor degree—the high income tax rates we shall have to pay as the years roll by. We might as well face that situation. And if we are to have these high rates existing—and perhaps extended; who knows?—it would be the part of wisdom, taking the long range view, that some permanent arrangement should be made with the provinces to stay out of this field permanently. I offer that simply as a personal view, speaking on behalf of the taxpayers of this country, who, after all, have to bear the brunt of the whole thing. Of course I have no hope that anything I may say will have any influence in public policy with respect to the provinces. It is unthinkable that we should return to a system under which, on the same income, taxes would have to be paid three times. Such a condition would be unbearable; and it would not be the proper or the just thing to do.

Therefore I suggest to the minister that while he has emphasized the point that this is only temporary, at least from the federal point of view, we should look forward to its being part of the permanent tax structure of the country. I suggest there should not be a return on the part of the provinces, or of the municipalities through the power delegated to them by the provinces under appropriate legislation, to the collection by them of income and corporation taxes.

I said a minute ago that I thought an examination of the figures would indicate that the minister's previous estimates were low. Without giving effect to the minor corrections which the minister has pointed out to-day—which in respect of Manitoba, by the way, is not so minor, being somewhere in the vicinity of half a million dollars—it will be observed that the total payments to the five provinces which have adopted proposal (a) aggregate $71,316,083.17, while the total payments under proposal (b) to the four provinces which have taken the option of servicing of the net debt, less succession duties, is $10,457,124.10, or a total of $81,773,207.27. Then there has to be added a further payment to five provinces, the maritime provinces and the two central prairie provinces of Saskatchewan and Manitoba, the sum of $3,232,789.32, making a grand total payment of $85,005,996.59. Again there must be added, under a separate section of the bill, on the basis as stated, the amount calculated as equivalent to the net receipts of the province from the provincial gasoline tax during the fiscal year ending nearest December 31, 1940. In that connection the total gasoline tax guarantee is $56,738,519.76, and, as the minister had indicated, it may be much more than that. This makes a total possible commitment out of the dominion treasury of the huge sum of $141,744,516.45.

If hon. members will refer to the minister's budget speech of last spring they will find a table in which it is indicated that the minister estimated a net increase in dominion revenue, in a full year, as a result of the changes made in the income and corporation tax fields, of $90,000,000. That is, the difference between $155,000,000, the yield from increases in existing taxes, and the payments by ways of grants of $65,000,000, or $90,000,000. I suggest to him that the excess of actual payments over the estimate made by him, and the possible expenditures on the gasoline guarantee, have made very considerable inroads into that estimated increase in revenue. Therefore the result will be somewhat disappointing. Of course the whole thing is a war measure, and we are assured at the moment at all events, that it is temporary, that it is only for the duration and that upon giving notice any province may withdraw.

The true test from the standpoint of the taxpayer, the citizen of this country, is the effect upon him. The objective of course is to raise revenues for war purposes. After all, the taxpayer is entitled to some consideration from the point of view of how it may affect him. It never was intended to give him any relief, judging from the increased rates imposed by the federal budget of 1941. From the point of view of the taxpayer there is really no relief; but there is one circumstance to consider. There is only one tax gatherer, only one taxing master, and that is something for which he should be devoutly thankful, even though the amount of money which he has to pay has not been lessened in any degree—indeed has been increased.

I have referred to the policy of centralization. I doubt if the fathers of confederation

ever contemplated that we should go as far as we have gone even with this measure; but the fathers of confederation never contemplated that there would be a war of the calibre and character of the present war, or that the necessity for raising huge sums of money by way of taxation would be so pressing as it is to-day. I have stated already that I believe the present situation should continue permanently rather than for the duration of the war only. Of course that is something which does not lie directly within the province of this parliament; there are nine legislatures which are parties to this agreement and which would have to consent.

Mr. REID: They are doing so nicely that they are not likely to go back.

Mr. HANSON (York-Sunbury): The hon. member is an optimist. My own view is that the more money these people get the more they want and the more they want to spend, especially if it comes as easy as it does when it comes from the federal treasury.

Mr. REID: British Columbia is doing well.

Mr. HANSON (York-Sunbury): There is one quarrel—I will not dignify it by the use of the word "quarrel," but I would like to comment upon the fact that the figure is frozen at the 1940 level. This may raise some difficulty with the municipalities. I understand that in the negotiations with the provinces, or with some of them at least, the minister was inflexible on that point. I should like to point out to him the injustice of that position as I see it. The 1940 income tax returns for the municipalities of New Brunswick were based on 1939 incomes. The war began in September, 1939, and the increase in the national income as a result of war expenditures—I think we can all agree that the great increase in the national income has been largely the result of war expenditures—did not begin to filter down to the individuals who pay income tax until late in 1940 or perhaps in 1941. In my province, where we have no war industry, or no war industry of any calculable amount, very little of the increased national income has filtered down to the taxpayers of the province. I am giving New Brunswick as an illustration, but I believe the principle is much more applicable to provinces which have been receiving a greater portion of the national income than New Brunswick. In that province we are being frozen under this agreement at the 1940 figure, and that is less than justice to the province. The provinces and municipalities had every right to assume that with the increased national income, more would filter into provincial and municipal exchequers as the war proceeded and as the tempo of expenditure increased. That will not be true under this agreement. That position is not reflected in this agreement, and it ought to be.

Some of the municipalities in my province were just beginning to utilize the powers which had been delegated to them by the province with respect to taxation on incomes. Other more settled municipalities, such as the cities, had used these powers for many years. I have paid income tax ever since I had an income. True the rate was not high, but we have always had to pay income tax. The effect of freezing the figure at the 1940 assessment based on the 1939 income, the pre-war income, has been that there is a deficit in the budget of all these municipalities, and presumably of the provinces. It is true that the government is to reimburse the provinces the amount of the frozen figure, but that is not sufficient to take care of the difference between the 1939 income and the 1941 income, or the increase in 1941, or the still greater increase in the 1942 income. Unless the municipalities are prepared to reduce their services, or to cut their expenditures—my experience in municipal affairs is that the municipalities are very well run, that there is little waste and that expenditures cannot very easily be cut—these deficits cannot be met.

Mr. REID: Is the amount not made up by the province?

Mr. HANSON (York-Sunbury): The amount is paid by the federal authority to the province, which in turn reimburses the municipality, but this is based on the 1939 income which is assessed in 1940. In the case of my own city the tax is payable about the middle of the year. If I have made my position clear, it will be apparent that there is a gap there. The result has been that the municipal councils in figuring up their budgets for this year and succeeding years have had to fill this gap. They have gone to the legislature and the legislature has granted them authority to make new imposts. In my province these new imposts have taken two forms. First, there is a householder's tax which in effect is simply an increased tax on real estate. There is no doubt that this tax will bring in money, but I shall not go into the details as to how much it will be. This tax is being imposed by the cities of Saint John and Moncton. It is being placed on visible, tangible property which cannot escape. There is a legal lien against it. I say to the minister that we will have this tax upon our backs as long as we live, or at least as long as the present situation continues. I am not sure that I made my suggestion quite clear. It was that there should have been some flexibility with

respect to these income tax receipts. In the case of the municipalities, they should be assessed every year. They could be audited every year and then there could be either an increase or a decrease in the amount paid to the municipality, so that they would not have to resort to new imposts and new forms of taxation such as the one I have described.

The other impost is such that every stenographer now must pay a poll tax. Some people may say that that is all right, but the fact is that in my city everybody over twenty-one years of age, other than a housewife or a domestic servant, must pay a poll tax. These people are here to-day and gone to-morrow; you may get it and you may not. If there is a deficit, what happens? You just heap a little more on real estate. I do not think any hon. member believes we should impose further taxation on real estate. The reasons are obvious. Real estate has always borne the brunt of municipal taxation. During the depression this load increased to such an extent that real estate became a liability instead of an asset. To-day real estate is just beginning to recover the position it held formerly as a good asset, but this new taxation makes its position that much more difficult. I suggest to the minister that if it is not too late the position should be revised. I tell him frankly that this is my main objection to the bill.

I do not think it is equitable, I do not think it is fair, I do not think it is just, to freeze the amounts that are to be reimbursed to the municipalities, via the provinces, to the pre-war income position—because that is what it is. It does seem to me it would have been quite feasible in working out the mechanics of this thing to have the position reviewed every year so that we might have avoided a fixed impost, from which I feel we shall now never be free. That is the main objection I have to the general principle of this measure.

I want to refer for a moment to certain other features of the bill. The chief point I make against the agreements is the inflexibility of that one position, and I have no doubt that the municipalities have also made their representations. I do not know how far the minister dealt with the municipalities. I assume he saw them, but of course I can understand that he did not find it desirable or convenient to deal with them directly. I want to impress upon him again that it would have been much fairer to the municipalities, and of course much fairer to the provinces, particularly such a province as Ontario with a large income tax revenue, if there had been some flexibility, having regard to the greatly increased national income which filters down through to all the citizens of our various provinces, so that as the war proceeds and expenditures grow greater they would receive a much larger share of the national income from year to year—unless of course the minister peremptorily takes the view that the increased national income should be taxable only by the federal authority. That may be the proper view to take; it is debatable. But the municipalities and the provinces have their social and other services to keep up and they cannot do it without money. The very fact that there are increased activities in a community make it incumbent upon a municipality to increase its own services and expenditures. Without going into details I can say that nearly all the cities of the maritime provinces have had to increase their police force, for example, and I know that the cost of fire protection has also been increased in some of the municipalities because of the increased tempo of war activity. But in the agreements no regard has been paid to these considerations.

I should like to call the attention of the minister to a few portions of the New Brunswick agreement, and then I shall be through. The New Brunswick agreement, as I have it, was tabled in the form of a draft. The minister says that the completed agreements were tabled in this house, but I am not aware that that is the fact. On April 22, over a month ago, on the motion of the hon. member for Hastings South (Mr. Stokes), an order of the house was passed for a copy of all final agreements entered into between the government of Canada and the government of any province with respect to this matter. This return, so far as I know, has not yet been brought down. I am subject to correction; if the return was tabled, it escaped me. I do suggest that while we should proceed with the second reading of this bill we should not take it up in committee until the minister has laid upon the table copies of the final agreements with the provinces, so that hon. members may study them. After all, hon. members from the different provinces are very much interested in this proposal. It will take from the federal exchequer possibly $200,000,000 in a given year, and that is no matter of small importance. Aside from the war itself I do not know of any question which demands more study on the part of hon. members of this house than these agreements, and I hope they have given study to them. I will say frankly that I have not analysed completely all nine agreements; I have contented myself with a limited study of the agreement affecting par-

ticularly my own province. I invite the minister, if he has not already done so, to lay on the table, at the earliest possible day, copies of the final agreements.

I am not opposing the principle of the bill, but I do say that there are inequalities and injustices. I think on the whole the dominion has done well by the provinces in the amounts it has allocated to them. I sometimes wonder, after all the pleas that have been made for retrenchment so that every dollar may be devoted to the war effort, why it is that some of our provincial governments—not all of them perhaps, but I think this remark will apply to most of them—show not the slightest evidence of retrenchment in what must be peacetime expenditures. Take the little province of New Brunswick with 500,000 people. This year they budgeted for the highest sum in the history of the province, away over $10,000,000. I think Nova Scotia perhaps is just as bad.

Mr. MacNICOL: Are they going to have an election?

Mr. HANSON (York-Sunbury): No, I do not think there is an election coming. There are several reasons, I suppose. I should not attribute motives, but I hold this view: there is not the sense of responsibility among provincial governments that there ought to be, having regard to the difficulties of the taxpayers and the financial demands made upon them by this war. Because times are good, because there is a lot of money going through the country as a result of war expenditure, the provincial governments think they might as well have some of it. One of the most disgraceful things in the country to-day is the amount of money the provinces are making out of the liquor traffic. In the little province of New Brunswick in the year 1935 the net revenue from liquor was a little more than half a million dollars. Last year the net revenue of the province from government sales of liquor was away over two million dollars.

Mr. REID: The people must be buying more liquor.

Mr. HANSON (York-Sunbury): I sometimes wonder. I am not going to preach temperance here. My principles are pretty well fixed and they are not going to be changed at my time of life. But I read a statement the other day which astonished me. The total budget of the Christian churches of Ontario in a given year was something like ten million dollars, while the drink bill of Ontario was perhaps ten or twenty times that amount—I am not attempting to give the actual figures. Is that a creditable comparison? Governments are in this business now for the profit there is in it. They ought to cut it down; the hours of sale ought to be limited. In New Brunswick they call it liquor control. It is not liquor control at all. It is liquor monopoly—that is what it is, and you and I, who perhaps do not spend any money in that way, witness the spectacle of somebody else paying what perhaps ought to be contributed to the provincial exchequer. I do not think it is creditable to the country. But that is by way of an aside. I had not intended really to say that at all.

My experience over a long number of years indicates that the greater the amount of money that is given to a province, the more they will spend, and some of it in a very questionable manner. I am glad to think that the municipalities operate perhaps in a better manner. I have in mind the little city of Moncton, which last year cut down its budget by $80,000, a very creditable performance.

I do not intend to say anything more about this bill. I think it is in pursuance of a compromise policy which the government had in mind having regard to the failure of the Rowell-Sirois report, which the government, I believe, was prepared to sponsor if it got the consent of the provinces. I regret very much that there was failure on the question of succession duties, but that has gone now and it is hardly worth our while to speak of it here.

I suggest to the minister that in dealing with the provinces he was a bit too lenient with respect to the power to impose new imposts. There is a provision in the New Brunswick agreement which leaves the way open for the province to impose new imposts, not of this particular class or kind, but nevertheless permitting annual levies from which I fear the taxpayer will never escape.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, since the leader of the official opposition (Mr. Hanson) has spoken as he has, probably something more should be said before this bill passes. The leader of the opposition made three or four remarks with which I personally, and perhaps, a good many people whose views should be heard here could not agree.

First, may I say a word with respect to the need for the taking over by the dominion of the power to tax corporations and the power to tax personal incomes. The leader of the opposition expressed the idea, as I understood him, that never again in the history of Canada would it be possible for the dominion government to recede from this field, that from now on it would be obliged to retain the power to tax corporations and personal incomes; and

the reason he advanced, as I gathered it, was that there would be so heavy a burden on the dominion government after this war that in order to discharge the burden the government would require so much money that it would be impossible to raise it except by invading provincial fields of taxation.

Now, I readily concede that the leader of the opposition is completely on valid ground when he forecasts that the dominion government will have such a burden of financial responsibility that it will no longer be able to discharge that burden.

Mr. HANSON (York-Sunbury): I did not say that or anything like it.

Mr. BLACKMORE: Well, to what extent am I deviating from the principles which the leader of the opposition laid down?

Mr. HANSON (York-Sunbury): What I said was that the necessities of the occasion would compel the federal government to hold on to this type of revenue and, probably, to this amount of revenue. I never suggested that the Dominion of Canada would repudiate its obligations.

Mr. BLACKMORE: Mr. Speaker, I certainly did not suggest that it would repudiate its obligations. I believe that if the leader of the opposition reads to-morrow in *Hansard* what I said he will find it very difficult to distinguish between the meaning of my words and the meaning of his.

Mr. HANSON (York-Sunbury): Then I misunderstood the hon. member.

Mr. BLACKMORE: True, the dominion government will never be able to discharge the responsibilities which it is assuming as a result of the expenditure incident to this war, and the members of this house should be objective enough to face that fact squarely now and govern their behaviour for the future accordingly. I am not suggesting that the dominion government repudiate its debts, but I am raising this question: if the time comes that the dominion government has so many financial commitments that, no matter what means it uses, it will be unable to raise enough money by way of taxation to meet those commitments, will someone tell me what the dominion government will be able to do? Something simply must be done; if the dominion government is to be able to meet its commitments it must find a new source of revenue, which source of revenue must involve a great deal more than invading provincial taxation rights and rendering it next to impossible for the provinces to carry on their responsibilities under the British North America Act.

[Mr. Blackmore.]

The leader of the opposition implied, I thought, a few moments ago that the provincial governments were more or less careless in the use of their money. I do not wish to misrepresent what he said, but the idea was that the more money you gave the provinces the more they would spend. Well, in a time like this, when people from end to end of this dominion are needing more social services every day, when they need more money for old age pensions, for state hospitalization, state medicine and a dozen and one other things long overdue in this country, and when you bear in mind the fact that the responsibility for these social services in large measure rests upon the shoulders of the provinces, what can we possibly expect but that the provinces will spend more and more money?

One matter which I hope to bring to the attention of hon. members is that of education. At the present time our provinces do not possess the financial resources with which to support adequately the educational responsibilities resting upon them. Teachers from end to end of this dominion are too poorly paid. Schools are too poorly equipped. We are neglecting our sacred responsibilities to the generations of the future by failing sufficiently to provide for the training of youth. That is only one thing for which the provinces need money.

My own impression from what I have seen is that the provinces are not spending any money carelessly. Theirs is the responsibility for building and maintaining roads. Consider my own province as an example. In Alberta there are 90,000 miles of roads, with not quite 800,000 people to support those roads. When you bear in mind the fact that the people of that province are spread all over it in little communities here and there, to such an extent that they need 90,000 miles of road; when you bear in mind the amount of telephone service, the amount of inspection service for schools, the amount of medical service, and scores of other things which are necessary to provide adequately for the needs of that province, you can understand how the provincial revenues as they now are are tragically inadequate. Instead of the dominion government endeavouring at this time to invade the provincial taxation fields and take from the provinces some of that which they already possess, the Minister of Finance should be occupying himself with ways and means whereby he could increase their revenues by adding to them supplies of money from the dominion treasury. At once, those who have never looked forward in the matters of economics and finance will say, "Where is the money to come from?"

The money must come from somewhere, and if this generation of members of parliament lack the vision to see where it will come from, then I do not know what is likely to happen in this country. We may have too great a tragedy long before we are able to elect a number of members with vision. I hope the house will come to see that.

I thought it would be a good thing for members of this house who are interested in the subject if I were to read two or three excerpts from a book which I have here, and which I think every member of the house should read. It is called "Economic Tribulation," and the author is Vincent C. Vickers. It might be well for me to state who Vincent C. Vickers is, in case anyone should not have discovered that up to the present. Let me read from the introduction:

Vincent Cartwright Vickers was born on the 16th January 1879 and educated at Eton and Magdalen college, Oxford. He was a deputy lieutenant of the city of London, a director of Vickers Limited for 22 years, and a director of London Assurance, from which he resigned in January, 1939. In 1910 he was made a governor of the Bank of England, and resigned this appointment in 1919. Later he became president of the Economic Reform Club and Institute.

I should think a record like that would at least entitle this gentleman to respectful attention. His book was published in 1941; there is no doubt it is pretty well up to date. Let me read two or three quotations. I quote first from page 50:

If once we can decide what it is that constitutes the barrier between the producer and the consumer, whilst both remain dissatisfied, we shall have discovered not only the main cause of the world's discontent and of the existing enmities and jealousies among the nations, but at the same time the true road to the peace of the world. If the producers are waiting to produce more, if ships are waiting to carry the goods, if there are railway and transport services wheresoever there is demand for them, then the fault must lie with the consumer. Why does he hold back the trade and commerce and progress of the world and prevent the consummation of a lasting peace by deliberately refusing to avail himself of the good things the world can offer him? The answer is obvious. The consumer cannot afford to buy more. He has not enough money. Let us discard all biased opinions and we shall find it possible only to arrive at one decision, that the health and welfare of the individual, the happiness of the community, the contentment of the nation and the peace of the world are mainly if not entirely a monetary problem.

And Mr. Vickers has not taxation nor borrowing in mind when he speaks of a monetary problem, as will be made abundantly clear by quotations which I shall read further on. At page 65 I read:

Strenuous efforts have been made over some twenty-five years to patch up the money system in an attempt to make it last a little longer, but it has stood and now stands in the way of progress and social betterment, thereby creating universal unrest and a tendency to obtain by force what cannot be obtained otherwise. For the sake of our children let us take warning in time. Let us discard the policy of inaction and pretence and boldly face the fact that it is not the inevitable smoke of the galley stove which assails our nostrils but that a fire is raging in the hold and that the ship of state is in imminent danger.

These words bear particularly on the discussion this afternoon:

Our democratic system and our existing financial system can no longer live together. One of them must give way to the other.

The measure we have before us this afternoon is a move in the direction of reducing the democratic rights of the Dominion of Canada.

Mr. MacNICOL: Or the provinces.

Mr. BLACKMORE: Or the provinces; it is the same thing. You cannot think of Great Britain as a democracy without thinking of the democratic rights of the great cities and towns of England, the great counties of England. Wherein lie the true sources of democracy in England? In the towns and in the counties. And wherein lie the chief guarantees of democratic principles in Canada? In the towns and in the provinces. Destroy the autonomy of the provincial governments and you have struck an irreparable blow at democracy throughout the dominion.

I am going to read one more passage, which I think will show just the line along which Mr. Vickers' mind is running, and then I have a comment or two to make. When I have done that I shall have finished. At page 74 I read his suggestions for the future:

1. State control and state issue of currency and credit through a central organization managed and controlled by the state.

2. Stabilization of the wholesale price level of commodities. That is to say, a fixed and constant internal purchasing power of money; so that a pound will buy to-morrow what it bought yesterday; an honest pound, not a fluctuating pound. And this can be done by so issuing and regulating the volume of available credit and currency that it shall at all times be adequate to permit of the purchasing power of the consumer being equated with the volume of production; not by limiting the purchasing power but by firstly increasing purchasing power more in proportion to the productive capacity of industry.

May I pause a moment to make this comment. The measure before us is decreasing the purchasing power in the hands of the community.

An hon. MEMBER: How?

Mr. BLACKMORE: By drawing money out of the provinces.

Mr. POTTIER: They are getting it back.

Mr. BLACKMORE: Only a small portion of it. The more you examine it the more you will see the force of what I have said. While the provinces have struck a good bargain, the minister has made a good bargain too. Let me continue with the quotation:

> Any additional supply of money should be issued as a clear asset to the state; so that money will be spent into existence and not lent into existence.

Again:

> The fluctuating quantity of gold lying in the vaults of the banking system should never be permitted to govern the volume of credit and currency needed by the country.

Again:

> The elimination of slumps and booms; and more direct procedure for eliminating unnecessary poverty.

And again:

> The abolition of the debt system where all credit is created by the banks and hired out at interest to the country.

I should like to say just a word to the Minister of Finance. I realize how heavily burdened he is, how difficult is his task of guiding this country through this great crisis, and in large measure I sympathize with him. But let me tell the minister and tell this house that the minister can never successfully finance this war so long as he stays with the principles of the debt system of money. He will never create that happiness and union in this country which ought to exist so long as he thinks in terms of taking away from someone what he has, so long as he thinks of reaching out and invading provincial fields of taxation and filching from the provincial governments the means of obtaining the money which they need to discharge their responsibilities to their people. And he will never succeed so long as he thinks in terms of centralizing power at Ottawa. Sometimes in listening to hon. members such as the hon. leader of the opposition I wonder whether they have forgotten entirely that Ottawa was created by the provinces, that the first political organizations which we had in this country were provincial organizations, and that the provinces put Ottawa here to do work for them, not to dominate them, not to render their position impossible.

Mr. HOMUTH: Confederation was a mutual arrangement.

Mr. BLACKMORE: Exactly, but the fathers of confederation never envisaged a time, we may be sure, when Ottawa would grow into a huge colossus threatening the very existence of the provinces.

Mr. HOMUTH: They never envisaged a time when we would grow into a nation either.

Mr. BLACKMORE: I am afraid I do not grasp the significance of that remark. Did they imagine that the confederation when first formed was not a nation?

Mr. HOMUTH: No, definitely no, we were not.

Mr. BLACKMORE: I wonder what the hon. member has in mind. Does he look upon a nation as being an organization of people dominated completely by a central power, or does he look upon a nation as an organization of great units which can pull together?

Mr. HOMUTH: Exactly; the latter is my conception of a nation, and that is what was brought about by confederation.

Mr. BLACKMORE: Then how does the hon. member say that the fathers of confederation did not visualize a nation?

Mr. HOMUTH: I say they never visualized a nation that would take the place in the world that Canada occupies to-day. We are now taking a place as one of the most important nations in the world, such a place as the fathers of confederation never visualized; consequently we must take on national proportions, and we cannot do it as long as we are divided provincially.

Mr. BLACKMORE: There is no need for division provincially. There are eight provinces in this dominion that are as vitally concerned in the conduct of this war as the dominion government is.

Mr. HOMUTH: Every one.

Mr. BLACKMORE: I think we would be safe in saying nine provinces. And these provinces are looking to Ottawa for leadership, not drivership.

Mr. HOMUTH: I am not admitting that we are getting leadership from the Ottawa government, but I say we ought to have national unity.

Mr. BLACKMORE: What I am afraid of is that the Ottawa government is manœuvering itself into a position where it can be a driver.

Mr. HOMUTH: I agree.

Mr. BLACKMORE: Then why all the argument? Let my hon. friend vent his spleen on those he needs to quell.

Mr. HOMUTH: There is no spleen to vent between the hon. member and myself.

Mr. BLACKMORE: There is a way of managing this dominion without resort to these hurtful and offensive measures. There is no need of such an abomination as was proposed in the Sirois recommendations, to hamstring the provinces of this dominion. There is no reason why every province should not be majestic in the greatness of its autonomy. No province in this dominion desires anything which is not in the interest of the whole dominion, and surely Ottawa ought to be looking only to that which is in the interest of the whole dominion.

It is possible so to organize and manage the finances of this dominion that the provinces can be peaceful and prosperous and happy and strong. But measures such as the bill now before us are not the kind which will produce that desired result. If this dominion is to reach a position where it can discharge its responsibilities with respect to the debts accruing during this war, the dominion government must adopt the principles which Mr. Vincent Vickers laid down, particularly the one with respect to the state control and state issue of currency and credit; the one in which he says that any additional supply of money should be issued as a clear asset to the state, so that money will be spent into existence and not lent into existence; and the one expressed in the words "the abolition of the debt system where all credit is created by the banks and hired out at interest to the country."

In my judgment the minister should be coming to this house asking for authority to establish in Canada a currency commission through which he could issue the amount of money which the goods and services producing and consuming power of this country would support without causing inflation. If he were occupying the time of this house with that proposal he would be dealing with a measure by which a solution of the vexatious problems which confound the people of Canada could be found, and there would be no reason whatsoever for weakening in any respect the autonomy of the provinces or impairing their financial stability.

Mr. J. W. NOSEWORTHY (York South): I am in agreement with the general principle of this bill. I believe that the principle of having one agent collecting these income taxes and corporation taxes is sound. Moreover I am in agreement with the sentiment expressed by the hon. leader of the opposition (Mr. Hanson), that by taking over from the provinces two of their most flexible and expanding sources of income and replacing them by fixed amounts over a period of years we are handicapping the provinces in the field of social service.

The fathers of confederation, to whom reference has been made, very rightly I think gave to the provinces certain powers of taxation. Undoubtedly they never visualized such fields as income tax and corporation tax, certainly not in the immensity to which they have now grown. But they left with the provinces control of certain public services that they must have known would be found to cost the provinces increasing amounts from year to year. To compensate for those services which were certain to become more costly the fathers of confederation left the provinces with certain fields of taxation which also were possible of expansion.

I am thinking particularly of two services in the field of social services, namely, health and education. We take away from the provinces the right to collect income and corporation taxes, the two fields in which provincial income has been expanding in the past. We leave them with the responsibility of taking care of health and educational services, with the result that we are forcing them to sell liquor in order to provide our boys and girls with educations.

Mr. HOMUTH: Does the hon. member want them to stop it?

Mr. NOSEWORTHY: Stop what?

Mr. HOMUTH: Stop selling liquor.

Mr. NOSEWORTHY: I certainly would like to see the selling of liquor curtailed during the war.

Mr. HOMUTH: Are you against the selling of liquor, or do you want to curtail it?

Mr. NOSEWORTHY: That is not the point I am discussing. My point is that when you take away from the provinces their two greatest sources of revenue, sources from which they would probably derive continually increasing amounts, and saddle them with social services, the costs of which increase from year to year, you leave the provinces only two other expanding sources of revenue, those from the sale of liquor and gasoline. For the duration of the war the sale of gasoline will be regulated, so that there is no source of income open to the provinces which can increase in large amounts from year to year, except that derived from the sale of liquor.

The leader of the opposition quite properly pointed to the rigidity of the amount to be returned to the provinces, and suggested that a certain flexibility in the amount payable might have been better. I suggest it would have been in the interests of the nation if, when adopting a flexible amount, and taking over these sources or revenue, the dominion had at the same time undertaken at least a partial responsibility for some of the social services which are expanding, and which will continue to expand from year to year.

The hon. member for Lethbridge (Mr. Blackmore) has called attention to the state of education. When our schools open in September four thousand class rooms will be manned by unqualified teachers. Fully 120,000 young people beginning in September will be placed in charge of teachers without any professional training. That circumstance is brought about largely by reason of the fact that the public school teacher can go into a war industry and earn double the amount he or she can earn teaching school. Our educational system is left to be largely the responsibility of local communities. Our provinces are most reluctant to assume more than 10, 12 or 15 per cent of the cost of that public service. The result is that we are getting the type of education that the local municipality is capable of providing.

If in this bill, instead of taking from the provinces this source of revenue and returning to them a frozen sum to replace the amount taken, the dominion government had assumed a certain percentage of the cost of those increasing provincial services, I believe it would have been a proper procedure. After all, these are national services. The type of education a boy or girl gets is surely a matter of national responsibility. The boy or the girl may not remain in the municipality or in the province in which he or she was born. When the boy in adolescence or manhood moves to some other province he becomes the responsibility of that province. He becomes a national responsibility, just as health is a national responsibility. We are finding that out to-day in our enlistment figures, when we take note of the number of young men who in the prime of life are rejected through physical unfitness.

We have long passed the day when the dominion government should have begun to realize that these two vital services are of national importance, and should have undertaken to accept some responsibility for them. That, it is true, is the responsibility of provincial governments, as set out by the British North America Act. But I suggest that in making this financial arrangement with the provinces, under which the sources of revenue are taken over by the dominion, instead of giving a fixed amount of money in lieu thereof the dominion should accept a percentage of the responsibility in respect of those expanding, ever-increasing national services, namely health and education.

Mr. KARL K. HOMUTH (Waterloo South): Mr. Speaker, I do not wish to delay, unnecessarily, the passage of the bill, but one or two things I believe should be said. So often we have heard protests from various provincial governments respecting the inroads the federal authority is making on provincial jurisdiction. It is quite true we are doing that. But after listening to the last two speakers one is almost led to the belief that they are advocating the taking over of all the services by the federal government. They say at least that we ought to pay more for this and ought to pay more for that.

We are now in a period of war. The minister of lands and forests in any province has practically nothing to say about the administration of his department, because the sale of timber, the cutting of timber and everything in that connection is under the jurisdiction of the timber controller, an officer of the dominion government. I am not one who says that we should do away with provincial governments; but if we are going to ask the federal government to take over the responsibilities indicated by the last two speakers, namely, the leader of the New Democracy group, and the hon. member for York South, then we might just as well come to the point where the federal government is going to take everything over. The last speaker referred to the possibility of taking over some of the social services.

Mr. NOSEWORTHY: The cost of them.

Mr. HOMUTH: Well, if you take over the cost you take over the service; what else do you do? The fact of the matter is that if one looks over the various social services in Canada he will find that we have a checker-board system. I was astonished the other day by the replies I received from some hon. members from Saskatchewan when I asked them to give me figures showing the amounts paid under the mothers' allowance provisions in that province. I asked for the information because of comparisons which had been made in my constituency with respect to payments made in Ontario and in Saskatchewan. To my mind the payments in Saskatchewan were absolutely inadequate, but perhaps to the minds of those in Saskatchewan they were adequate.

Mr. NICHOLSON: What minds?

Mr. HOMUTH: Those who put it through, or who brought it into force.

Mr. NICHOLSON: They cut their garments to suit their cloth.

Mr. HOMUTH: It is time we did that in a great many instances. If we have not the cloth we should try to get it. We get it for war purposes; let us get it for paternal legislation. When we begin to compare things we find that we have a checker-board system across the country. Some provinces have not the social legislation that other provinces have.

So far as this bill is concerned I consider it to be a war measure. It may end up eventually as a national measure that will always be in effect, that will always be the law of this country. The various provincial governments, having studied this matter, I hope carefully, have decided to enter into agreements with the Minister of Finance of Canada under which they make certain concessions. I feel that these things may have to be regulated as time goes on. Apparently this is leading eventually to a general federal policy under which the provinces will no longer collect either succession duties or income tax. I believe that all the provinces are asking for is that the responsibilities which are theirs under the British North America Act should be taken over by the federal government and be of no particular burden to the provinces.

While I am critical of some of the provisions of this bill and of some of the arrangements to be made under it, we must face the fact that we are at war. No matter how great a burden it may be upon the provinces, no matter how difficult it may be for them to meet their obligations, for the time being we are at war and we have to do everything we can to win that war. If we do not win the war there will be no succession duties and there certainly will be no incomes. Let us make up our minds to the fact that we will all be enslaved by an enemy who will not care whether we have food or incomes. While there are certain provisions of this bill with which we are not in accord, it is a war measure and so far as we know now will be only for the duration of the war. When the war is over we can debate this measure, we can debate matters of social legislation and paternal legislation and other things which are not only in the minds of members of the Cooperative Commonwealth Federation. The members of the C.C.F. often pose in this house as being the only ones who look after the so-called working people, the farmers and others in this country. We are all Canadians, whether we are industrialists or otherwise, and our sympathies are with Canada. We want to act in the best interests of Canada and in the best interests of the working people and other classes of people in Canada. That does not rest only with the C.C.F.

Mr. GILLIS: Actions speak louder than words.

Mr. HOMUTH: Actions speak louder than words, and the people know what we have done.

Mr. NOSEWORTHY: You had plenty of time to correct the abuses.

Mr. HOMUTH: You certainly have not corrected the abuses either. In spite of the argument that can be made against this legislation I feel that it is in the best interests of Canada and in the best interests of our war effort that it should be passed. When the time comes to have a readjustment of the equalities or inequalities under these acts, it will be after the war. The first essential of this and other legislation must be the winning of the war.

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

On section 1—Short title.

Mr. HANSON (York-Sunbury): I think the minister will agree that the final agreements have not been tabled and that an order of this house has not been complied with. I do not want to hold up the passage of the bill for the tabling of the agreements, but perhaps the minister can tell us whether they have all been signed.

Mr. ILSLEY: The agreement with the province of Quebec has not been signed, but all the rest have. I thought that the agreements had been laid on the table, but apparently they were being held up until the Quebec agreement came in so that they could all be tabled at the one time. The draft agreements have been tabled, and in all or nearly all the provinces the draft agreements are schedules to provincial acts and it is not possible to change them. It is the amounts only that are in question at all; all the clauses of the agreements will be in the form of those in the draft agreements.

Mr. HANSON (York-Sunbury): Are there any special provisions in the Quebec draft, or provisions that differ from those in the Ontario agreement?

Mr. ILSLEY: In regard to the schedules, they all differ one from the other to a certain extent. I feel sure that the draft agreements that are on the table show those differences. There are minor variations as between the provinces, especially with regard to municipal

taxes. I do not expect the committee to take in the significance of those variations, but specifically, at the end of appendix B—

Mr. HANSON (York-Sunbury): To which agreement?

Mr. ILSLEY: There is an appendix B to each agreement. Appendix A is a list of the acts that are to be repealed by the provinces, and appendix B is a list of the acts that are to be retained by the provinces. It is not an exclusive list in either case; it is a list of acts which it is submitted should be retained, in the case of appendix B, and a list of those which it is submitted should be repealed, in the case of appendix A. There are some general words at the end of appendix B in the Quebec case which differ slightly from the words of appendix B in the Ontario case.

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

Mr. ILSLEY: It is a complicated question. The words at the end of appendix B in the Ontario case are these:

and the following enactments—

It will be borne in mind that I am talking of a list of enactments which are to be retained unrepealed by the province:

(a) any enactment heretofore or hereafter passed which provides for the imposing of any fine or penalty for any act or omission or for the costs of any action or prosecution;—

Mr. HANSON (York-Sunbury): That is in violation of some provincial statute?

Mr. ILSLEY: Right. It goes on:

(b) any enactment heretofore or hereafter passed which singles out municipal corporations, any boards or commission exercising the powers of a municipal council, boards of education or boards of school trustees for the payment of any amount; and

(c) any enactment heretofore passed as a private act and any enactment which is unrepealed and is not consolidated in any of the revised statutes of Ontario, which prescribes or fixes the assessment of or taxes payable by any corporation for the purposes of municipal taxation.

The words at the end of appendix B in the Quebec case are:

and to the extent that taxes or licence fees were imposed thereunder on April 1, 1941, any other enactment of the province providing for the imposition by a municipality of taxes or licence fees other than income taxes, unless such enactment is enumerated in appendix A.

It is just about impossible without an hour's exploration of these differences to make their significance apparent.

[Mr. Ilsley.]

Mr. HANSON (York-Sunbury): I suppose that under that wording a long list of licence fees is retained to the municipalities?

Mr. ILSLEY: That is right.

Mr. HANSON (York-Sunbury): Are they in the nature of income tax or corporation tax?

Mr. ILSLEY: They are not in the nature of an income tax. Whether or not they are in the nature of a corporation tax depends upon how you look at it. It is a matter which was discussed between the provinces and the dominion in every case. There is nothing hidden from any province as to what is happening in another province. The local situation varies to some extent as between provinces. The net result is not significantly different in these two provinces.

Mr. HANSON (York-Sunbury): They would vary in every province?

Mr. ILSLEY: Oh yes. It must be borne in mind that if taxes still continue to be imposed by municipalities in a province they are not bought out by the dominion. If there is a slight difference of treatment; if a $500 licence fee is left in force in one province and nothing is said about a $300 licence fee in another province, it simply means that we did not pay as much money in the one case as in the other. It is not a matter of very much importance. I do not pretend that these appendixes are uniform in wording. It is a highly detailed matter. There are thousands of tax-imposing jurisdictions, or at least hundreds, and in the provinces of Quebec and Ontario, thousands, with all kinds of local variations. The situations in these two provinces in substance are approximated to one another pretty closely, but the treatment is not identical.

Mr. MacNICOL: Have all the different variations in thousands of cases been thoroughly studied by the departmental experts?

Mr. ILSLEY: Oh, yes. I would not say that we have examined the situation in every municipality, but a tremendous amount of work has been done in examining the municipal taxation situation in the provinces where it exists, and that goes for the provinces east of British Columbia.

Mr. HANSON (York-Sunbury): The correspondence would indicate that a good many specific requests were made for special consideration and that in a good many cases the minister gave in to these requests. I have studied the correspondence with New Brunswick. They wanted to maintain certain things there, and the minister consented to their maintaining them. The same would be true, I suppose, with respect to the other provinces?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Therefore, while each agreement varies in detail it follows the general form and substance, and the details are different to meet particular exigencies that have arisen?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): What payments have been made to each of the provinces in respect of the last fiscal year ended March 31 last? Have payments been made to any or all of the provinces in respect of these agreements?

Mr. ILSLEY: I will give the committee a list of the payments that have been made. All these payments have been charged to the appropriation for the last fiscal year because no authority exists for charging anything to this year's appropriation.

Mr. HANSON (York-Sunbury): Under the supplementary vote for last year?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): That was for $45,000,000, was it not?

Mr. ILSLEY: Yes, $45,000,000. The payments by provinces that have been made are: Prince Edward Island, $689,502.20; Nova Scotia, $1,300,000; New Brunswick, $2,112,516.86; Quebec, nothing.

Mr. HANSON (York-Sunbury): New Brunswick has received over half its amount?

Mr. ILSLEY: Yes. The other payments were: Ontario, $2,896,403.95; Manitoba, $2,306,467.84; Saskatchewan, $2,887,458.11; Alberta, $2,055,911.87; and British Columbia, $6,872,182.49.

Mr. HANSON (York-Sunbury): How much of the two million dollars odd which has been paid to New Brunswick has been passed along to the municipalities? I know that in the agreement there is an undertaking by the province to pay to the municipalities, but the agreement is silent as to when. It seemed to me that that was a weakness in the agreement because the province may hold the money for four months after they receive it or they may not pay it until it suits them.

Mr. ILSLEY: I am not able to say what amounts, if any, have been paid out to the municipalities of New Brunswick. On the general question as to how far it is this government's responsibility to see that payments are made to the municipalities, the view was first taken by myself that that was not any part of our duty at all, that we would leave that entirely to the provincial governments, depending upon their own sense of fitness to pay the municipalities as and when they thought the municipalities ought to be paid. Certain provinces wished the matter left in that way. I know one province expressed the view that the municipalities were their creatures, that they could and should be allowed to deal with the municipalities and that the dominion government should not intervene at all. In the case of New Brunswick we provided, I believe, in the agreement or by a schedule that certain amounts were paid to the province for the account of the municipalities.

Mr. HANSON (York-Sunbury): Yes.

Mr. ILSLEY: It is provided in that agreement that a certain amount will be paid for the account of the municipalities.

Mr. HANSON (York-Sunbury): I think there is an undertaking there that they will do it.

Mr. ILSLEY: Yes. It is in clause 10:

which sum—

That is the sum payable to the province.

—includes the sum of $1,384,410.23 payable to the province on account of the said municipalities computed as set out in appendix DD.

Mr. HANSON (York-Sunbury): Is that the only clause referable to that? I had an idea that there was a covenant or something in the body of the agreement whereby the province agrees to pay these amounts to the municipalities, but I cannot put my hand on it at the moment.

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): It does not go beyond that?

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): Of course, the clear intent and meaning of it is that the province shall pay it, and I have no doubt they will in their own good time. The minister stated the principle, and I do not think there can be much objection to it. Certainly the municipalities are the creatures of the provinces, and in all the dealings we have had in days gone by between the dominion and the provinces in respect of the municipalities the federal government has always taken the position that it could not deal direct with a municipality. I do not know whether there have been exceptions to that, but I am not questioning the decision taken by the minister. I do think, however, that care should have been taken—and I believe that the provincial governments, if properly pressed, would have agreed to this—that if, as and when the money was paid, the propor-

tion would be handed over to the municipalities. The suggestion in my part of the country is that the province intends to hold the money for four months. I do not know how well-founded that is, but of course it means interest on overdrafts. Some of the municipal officers of the city of Saint John are here to-day, and, coming up in the train last night, they pointed out that if they have to wait for four months for $500,000, when their assessment is paid now or very little later, it will mean a substantial sum in interest to them. The department was, I think, a little lax in not providing that the money should be immediately paid over to the municipalities. However, the minister takes the view that, the municipalities being the creatures of the provinces, the provinces must be left to deal with them, and perhaps that is the proper attitude for the federal government to take. I am not going to question it. But the municipal officers are fearful that they will not get their money as soon as the province gets it.

Mr. BOUCHER: Does the Ontario agreement contain a provision similar to the New Brunswick agreement, that a payment shall be made to the province, earmarked for the municipalities?

Mr. ILSLEY: No; the New Brunswick agreement is the only one which contains that clause.

Mr. REID: Can the minister give any information as to what will be the probable gain to the dominion under this agreement?

Mr. ILSLEY: No; I cannot do that.

I listened with interest to the figures given by the leader of the opposition. He quotes a passage from my budget speech of about a year ago in which I estimated the additional revenues realized from the higher rates of income tax to be $90,000,000.

Mr. HANSON (York-Sunbury): The net gain.

Mr. ILSLEY: The net gain, $90,000,000; and we are paying to the provinces a little under $85,000,000. The figure given by the leader of the opposition included a $500,000 overerror in the case of Manitoba.

Mr. HANSON (York-Sunbury): Yes. I made the figures up before I came here.

Mr. REID: Can the minister state, apart from any saving by centralization of the collection of taxes in one bureau, what the gain will be, or will he be in a position at some time to tell us? We know what the provinces are getting, and I think it is important to know what the dominion gets.

[Mr. R. B. Hanson.]

Mr. ILSLEY: It will be very hard to break down.

Mr. STIRLING: I am glad that the hon. member for New Westminster raised that point, because, had he not done so, I was going to raise it. It is quite clear that the dominion government will pay to the provinces $142,000,000 in toto.

Mr. ILSLEY: Oh, no.

Mr. STIRLING: That is the total. You add these various payments together and make allowance for the gasoline—

Mr. ILSLEY: No; we will pay them 84½ million dollars or thereabounts.

Mr. STIRLING: On behalf of income tax?

Mr. ILSLEY: Income and corporation taxes and debt services and fiscal need subsidies. That all comes to about 84½ millions; and then we give them a guarantee to keep their gasoline revenues up to the amount which they were in 1940, namely $55,000,000 or $56,000,000. Practically nothing was due under that guarantee for 1941.

Mr. STIRLING: Except for this gasoline trouble.

Mr. ILSLEY: And the amount that will be due for 1942 will depend very largely upon the extent of the gasoline restrictions.

Mr. HANSON (York-Sunbury): In other words, the gasoline guarantee is not a guarantee of a specific sum of money?

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): It is a guarantee to take up whatever slack there may be?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): That is indeterminable?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): But so far as 1941 is concerned the minister assures us that there will be no payment in respect of that?

Mr. ILSLEY: About $50,000.

Mr. HANSON (York-Sunbury): That is a mere nothing. But for the coming year it looks as though there would be a substantial sum paid under that guarantee. You might look forward perhaps to $125,000,000.

Mr. ILSLEY: I do not think so.

Mr. HANSON (York-Sunbury): Well, judging by the traffic on the highways there is not so much gasoline being burnt in my

part of the country. I travelled 400 miles on Monday and Tuesday, and you could count the cars almost on the fingers of your two hands. There are hardly any by comparison with the situation a year ago, and I think the situation from that point of view will become progressively better or worse according to one's point of view. If the two-gallon ration is maintained it is likely that practically all motor traffic will disappear. I believe it is well to have that situation cleared up, that the gasoline guarantee is just a guarantee against ultimate loss on the part of the provinces, not a guarantee of any specific sum.

Mr. STIRLING: Let us not take it that any particular sum is arrived at. I quite understand that the gasoline guarantee is simply a guarantee and cannot now be measured. But I am looking at it from the point of view of what is so commonly called the man in the street. This bill comes before this house as the result of nine agreements arrived at with the provinces with considerable difficulty and after a great deal of work.

Mr. ILSLEY: Yes.

Mr. STIRLING: Even to us who sit and talk in this committee it is no easy matter to follow the details; in fact, we do not know the details of the work which has been accomplished in bringing this about. As a member of this house I am asked by a constituent, "Well, the dominion is paying out this sum of money; we quite understand that in future we shall not have to pay provincial income tax; possibly we shall not make certain other payments; but what does the dominion get in benefit in response to this expenditure which it is making, and how will that come on my shoulders?" That is what the residents in any province are asking.

Mr. ILSLEY: I cannot put any dollar value on it. The dominion is now free to increase its income tax to the level which the people of the country should properly be asked to bear. That may be of very substantial benefit to the dominion as the war years go on. In fact, that has been and is regarded as virtually essential if the dominion government is to finance the war with any degree of efficiency and equity.

Mr. STIRLING: Releasing money for loans and savings certificates?

Mr. ILSLEY: No; in taxes. While the provinces were imposing income taxes and corporation taxes, and the municipalities were doing the same, then, whenever a minister of finance approached his budget, he had to examine a variegated picture. He had to consider the effect upon a taxpayer in Halifax, Vancouver, Toronto, Montreal and so on, and he was restricted and hampered and crippled in dealing with the situation. He would not be if we were in times of peace; not at any rate to anything like the same extent.

Mr. REID: Was not the argument put up to the provinces that owing to the fact that the dominion government was making large expenditures it was unfair to allow the provinces to take income taxes from expenditures coming from the dominion government? It is therefore most important that it should be known what the revenue is.

Mr. ILSLEY: That is a second and separate point. But even if there had not been any increase in incomes in the provinces as a result of dominion government expenditures, growing incomes as a result of growing expenditures out of revenues which the dominion has obtained somewhere or another—even if that had not been the situation, nevertheless the government would have been crippled in imposing taxation to too high levels by reason of this irregular and uneven income tax situation that existed from the Atlantic to the Pacific.

Mr. HANSON (York-Sunbury): The dominion now has the field clear to itself.

Mr. ILSLEY: It gives a clear field to the dominion and enables the dominion to impose equitable taxation, the same weight on persons with the same capacity to bear that weight, whether they live in Vancouver or in Halifax or in any other part of the country. This sweeps away the debris—perhaps I should not use that word—of all these heterogeneous income taxes and corporation taxes that made it so difficult for us to impose taxes of a proper weight with any equity, and it became important only when taxes became so high. Perhaps I should say it became so important when taxes became so high. It would be important under normal conditions, but it is extremely important in a time of war.

Mr. MacNICOL: It will equalize taxation throughout the country.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): We know what the cost is approximately.

Mr. ILSLEY: Perhaps I may interrupt my hon. friend. The hon. member for New Westminster (Mr. Reid) raises another and interesting point, a very important one, and that is that when the government is spending $2,500,000,000 for war and other purposes, as we shall do this year, in all probability the

national income is going to be very much greater than it otherwise would be, and the dominion government are responsible. They have to get, by loans and taxation, money with which to meet that enormous expenditure. From my point of view at least, it is hardly fair to us to be paying out these billions of dollars and increasing the incomes for the benefit of the provincial income tax revenues. It means in the normal course that the provinces will have large and ever larger surpluses and we shall have large and ever larger deficits, and it is perfectly fair to freeze the amount that the provinces get from income tax and corporation tax sources at the level which existed at the beginning of the war. That is one theory that underlies these provincial agreements. It may be that this freezing, so to speak, will prove an advantage rather than a disadvantage to the provinces. It may be that personal incomes and corporation incomes, as a result of price ceiling policies, will not increase as the years go on, and it may be that the provinces are getting more out of this arrangement than they would otherwise, but I do not think so. I think that normally the income tax and corporation tax would rise; the arrangement is fair enough for the provinces, as long as they are assured of a pretty heavy return from income and corporation taxes; and the period taken was not unfavourable for the provinces. It is reasonable that they should take that amount and that the dominion should undertake to pay them that; and in view of the income created by enormous dominion government expenditures, which will bring tax returns up as the years go on, I think the taxation on that income should come back for the benefit of the dominion.

Mr. REID: For war purposes?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): It is based on the 1939 income, and that was for the most part a period of depression. I do not think it can be said that we were clear out of the depression before the war came. As a matter of fact, I am inclined to the other view, and one point I tried to make against this agreement was the freezing of the returns to the provinces, and to the municipalities in my province, at a figure based on a pre-war period, which might be said to be more or less a depression period. There is no doubt that in New Brunswick, there was in the municipalities an increase in the 1940 assessment over the 1939 assessment. That is why I think there should have been a little flexibility. I am impressed with the argument of the minister that if they were allowed to go on, having regard to the rising rate of national income due to federal government expenditures, they would have had what I might call an unearned increment or something of that sort.

Mr. ILSLEY: A windfall.

Mr. HANSON (York-Sunbury): A windfall. I think there is something in that. I still think, however, that it should not have been frozen on the 1939 income. The minister, I understand, was pretty inflexible about that, and I should like to know the reason why. Is it because he felt that there was substantial government expenditure in 1940 which should not be taken into account.

Mr. ILSLEY: I took the actual tax receipts in the year 1940.

Mr. HANSON (York-Sunbury): Yes, but that was on 1939 income.

Mr. ILSLEY: Yes, in some cases, and in some cases it was not. I would not condemn the 1939 income too readily. A great many companies had a fine year in 1939; a good many taxpayers had a good year; their inventories were enhanced in value at the end of the year for some reason.

Mr. HANSON (York-Sunbury): There was a war on.

Mr. ILSLEY: The last four months of 1939 were war months, and income was not poor at all. However, it is a matter of judgment as to what year to take and how to select your year. We did the best we could in taking the fiscal year which ended nearest to December 31, 1940, and we stuck to it. The leader of the opposition says I was inflexible. I certainly was, because if there was one feature of this agreement that one had to stick to it was that. If we began varying the amount payable to the provinces according to an estimate—

Mr. HANSON (York-Sunbury): It would not be an estimate; they could make their assessments. I understand how it could be worked out. I think the minister could have given more effect to that theory. However, he has not, and these agreements do not incorporate it, so I suppose it is a waste of time to discuss it now, except to point out the position.

Coming back to the point raised by the hon. member for New Westminster and my colleague, we have on one side $85,000,000 of which we are certain. I suppose there is no chance of these people from the provinces coming back and asking for more, on the basis of fiscal need. Later I am going to ask about these grants for fiscal need. It looks to me

like a hand-out. I should like to know something about the basis. On the other hand we must know with some degree of certainty what we are getting to balance this $85,000,000, plus the contingency arising out of the gasoline guarantee. Certainly it will amount to a substantial sum if things go as they are going now. Last year the minister said it did not amount to much, $50,000, which is really nothing. But we had a 10 per cent increase in corporation income taxes plus excess profits tax. The department should know what that means because they have the returns in. The personal income tax returns were in by March 31 at the increased rates. The corporation income tax returns were in by April 30. I do not know if they have been compiled yet. While the amounts are not fixed, there must be some estimate of what the increased taxes arising out of the 1941 budget total, which are to compensate for and out of which the dominion government pays this $85,000,000 plus the guarantee. If we are not going to get $85,000,000 plus the guarantee we did not make a very good bargain. I think the minister should give that information, or he should ask that the committee rise until it is obtained.

Mr. ILSLEY: I do not think that information could be obtained in such a form as to be of any value. The estimate that the leader of the opposition read was that $90,000,000 additional would arise from the increased income tax rates—

Mr. STIRLING: That has nothing to do with this.

Mr. HANSON (York-Sunbury): But I am offsetting it against the $85,000,000.

Mr. ILSLEY: Yes; that has to do with it. The question I understand is, how much money shall we get from the increase in income tax and corporation tax rates which these agreements make possible. Is that not the question?

Mr. HANSON (York-Sunbury): Not quite that. You could have had the increased rates without these agreements at all; but we all agree that it would have been inequitable to do so. However, you made the agreements; you got these provinces to vacate the field; you buy them off to the amount of $85,000,000. What are you going to get to recoup these outlays? The minister made an estimate of $90,000,000; that is how I interpret the figures of his last budget speech. If that is all, it is hardly worth while. I think myself it will be more. But when you take into account the contingent liabilities that the government has incurred with respect to the gasoline guarantee you may find a deficit on this instead of a credit.

Mr. ILSLEY: The liability under the gasoline tax guarantee should not be set off against what we get, because we would have been obliged to look after the provinces in some way. If by putting in gasoline regulations we take ten or twenty million dollars off the revenue of a province like Ontario we could not shut our eyes to that. It might not be so fatal in the case of Ontario, although their gasoline tax revenue was $26,000,000 in 1940. We would have been obliged to do something; we cannot bankrupt a province by our acts without some provision. What would have happened would have been that the provinces would come here and by pressure, by successful presentation—

Mr. HANSON (York-Sunbury): They would have had a case.

Mr. ILSLEY: Yes; by way of advocacy they would have argued for this and that; we should have been obliged to work out something as fair as possible; and I doubt if it would have been as fair as this.

Mr. HANSON (York-Sunbury): The minister says that if he had not given the gasoline tax guarantee it would have been inequitable to pass the rationing regulations and such things. What has the minister to say about this question of price-fixing? He did not think much of it in 1941. In the debate on the address in November, 1941, he condemned the whole policy of price-fixing.

Mr. ILSLEY: I do not think so.

Mr. HANSON (York-Sunbury): I have not the minister's words here; I will send upstairs and get them. However, that is only in passing. What does he think of the situation brought about by the price-fixing policy? Is he going to bankrupt all the small grocers? By adopting a policy of rationing tires and gasoline he has put out of business an army of men who were engaged in selling automobiles. Does that appeal to the minister as ethically wrong? In the United States I read that they have appropriated $600,000,000 or so to take care of the wreckage of that business. We have not done anything like that in Canada. And, believe me, that business is a wreck. If you do not believe me, go to any of the big garages in this country that were engaged in selling automobiles. You will see men vainly striving to adjust themselves to the condition, coming to Ottawa to try to get some part of the "bits and pieces" programme, with very little success. I think there is a man in this city to-day; there was last week, from a big, well-equipped garage

in New Brunswick, who was trying to get something to help save his investment. On the same principle as applies to the provinces and the gasoline tax, what does the minister say he should do for these people? Take the corner grocer who, before the price-fixing, sold peas based on a certain cost, not on replacement cost at all. To-day he has to sell at the same price, which may be three cents a tin less than they cost him. What is going to happen to him? Either he must sell these peas at a loss or not handle peas. The same thing will apply to his whole stock in trade. The result is that he has either to do business at a loss or to go out of business. They are going to the wall just as fast as they can. What is the government going to do for these men?

Mr. ILSLEY: I do not admit that that is the situation at all.

Mr. HANSON (York-Sunbury): I can demonstrate it. The minister living here in Ottawa does not know what is going on round him, and his people do not tell him.

Mr. ILSLEY: Does the hon. gentleman say that bankruptcies have increased?

Mr. HANSON (York-Sunbury): I have not any figures, but I know that men tell me, "I just cannot go on if I cannot have a cent or two on my prices." These men are not profiteering, they just want a chance to live, and they are not being given a chance. However, this is aside from the point we have been discussing. But I think I ought to tell the minister that the retail trade in this country is suffering. It is suffering because of the inflexibility of the position taken by the government with respect to prices. There is going to be no subsidy for these men. Perhaps something ought to be done with respect to the cost of production, so that there could be a spread between them and the wholesale. But there is no doubt that these men either must sell certain commodities at a loss, or must not sell them at all. If you carry that far enough, they are out of business.

Mr. ILSLEY: Well, these are very general statements, and they are irrelevant to the discussion.

Mr. HANSON (York-Sunbury): I agree with that.

Mr. ILSLEY: The hon. member mentioned some commodity; was it tea?

Mr. HANSON (York-Sunbury): I believe it was peas.

Mr. ILSLEY: I think it will be found that the hon. member's statements are entirely too broad, and that they are not justified by the facts. Certainly an enormous amount of work has been done in giving reasonable protection to people in business in connection with the application of this price-ceiling policy. I might have said what I thought was happening in the instance to which the hon. member has referred, but I am not quite sure enough of my facts to make a statement.

Mr. BOUCHER: If the minister wants an illustration I will give him one to which my attention was drawn to-day. I refer to a merchant right in this city who is selling cured meats, and who has found himself in a position in the last three weeks of having orders he cannot fill. The price ceiling has limited the market to such an extent that he cannot get meat to cure. Then, he has had trouble with the Department of Munitions and Supply. He used his car to deliver from his wholesale producing plant to local grocers. It was a touring car, not a truck, and he received a C-3 permit. Yesterday that permit was called in, and he has received an A-1 permit which will not permit him to deliver his goods. I have just drawn this point to the minister's attention, although perhaps the discussion is wholly irrelevant. However, my observation would lead me to believe that the small independent retail grocer or the small business man, by subsidies more than by fixing, is being submerged to a level where he cannot get the commodities at a price at which he can retail to the public, and at the same time compete with the mass production carried on in chain stores and cooperative enterprises. That is definitely the situation in this section of the country, and particularly in the city of Ottawa where the independent retailer in the merchandising business is paying a very, very severe penalty for price fixing.

Mr. MacNICOL: I am not going to refer to the question of price fixing, but I wish for a moment or two to speak respecting the small business man, whose position was mentioned by the leader of the opposition.

Mr. ILSLEY: I do not wish to be too strict, because I always hope that these little flurries will die down, but when the debate reaches a point where it is one of another subject entirely, I feel I have to raise a point of order.

Mr. O'BRIEN: Perhaps the point I wish to make might be brought up more properly on section 5. However, there is a broad principle which might be discussed under this section. I understand the tax on gasoline sales has been fixed as of the year 1940. In view of the rationing of gasoline, which has been so severely inaugurated in the maritime

provinces, there would seem to be a great danger of loss in revenue, due to the fact that cars will not be put on the road. New Brunswick—and I speak particularly for it, believing that the other maritime provinces are in a somewhat similar position—will lose a great amount of revenue which it formerly received from that source. I am just wondering if at the time these agreements were signed there was any provision whereby because of some act of the federal government, such as the procedure of rationing, a further study could be made to compensate provinces for changes which were unforeseen when the agreement was signed.

Then again, in somewhat the same category might be placed the sales of liquor. If it was expected that those sales would bring in a certain revenue, as was the case with respect to motor cars when the agreements were signed, in the event of some change being made by the federal government can the provinces ask the minister for a reconsideration?

Mr. ILSLEY: The fiscal needs subsidies were fixed once and for all, and were not based on the principle of flexibility. That principle had to be decided at an early stage in the discussion with the provinces.

Mr. HANSON (York-Sunbury): They were merely hand-outs, were they not?

Mr. ILSLEY: No; fiscal needs subsidies are, in my judgment, necessary to enable the provinces to carry on. I could give reasons why they are.

Mr. HANSON (York-Sunbury): We shall come to that later.

Mr. ILSLEY: It must be remembered that part of the time critics are saying that we have not made adequate provision for the growing requirements of the provinces and the municipalities, and the other part of the time they are criticizing what we are giving as a mere hand-out.

Mr. HANSON (York-Sunbury): That feature is certainly a hand-out.

Mr. ILSLEY: But, with regard to the point raised by the hon. member for Northumberland, New Brunswick—

Mr. MacNICOL: Which, by the way, was the same point I was going to raise, but the minister objected to it.

Mr. ILSLEY: Then the hon. member for Davenport made a bad introduction, if he was going to speak on that point.

Mr. MacNICOL: Maybe I did; but I did not get a chance to start.

Mr. MacINNIS: Your approach is bad.

Mr. ILSLEY: I thought the hon. member for Davenport was beginning a sympathetic examination of the problems of the small business man. That was the subject upon which he was launching.

The point raised by the hon. member for Northumberland, New Brunswick, namely that of revenue from motor car licence fees, was given careful consideration. It is an important element in the revenue of New Brunswick. It is also an important element in that of Nova Scotia, and also in that of some of the other provinces.

Mr. HANSON (York-Sunbury): We have there, I believe, the highest tax in the world.

Mr. O'BRIEN: On automobiles.

Mr. HANSON (York-Sunbury): Yes.

Mr. ILSLEY: I do not know whether they are record taxes or not, but I know they are important.

Mr. HANSON (York-Sunbury): They are.

Mr. ILSLEY: My information is that for this year, 1942, there will be no important diminution in revenues from car licence fees. However, it is feared there will be an important diminution in 1943.

Mr. O'BRIEN: May I interrupt to say that licences in New Brunswick are sold in two divisions; that is they are sold for half years. That might be an important factor there.

Mr. ILSLEY: It might be a factor, yes. But answering specifically the question the hon. member asked, I must say that no provision is made for that affecting the fiscal needs subsidy. When the request was made that a guarantee be given with respect to the revenues from car licence fees, similar to that with respect to revenues from gasoline, I declined to give it favourable consideration. I said that if we were to examine all sources of revenue, the dominion perhaps should be receiving a guarantee that a certain amount of the service should be taken over by it. For example, if liquor revenues and car licence revenues were considered together instead of separately, and were frozen at the level of 1940 or 1941, probably the province would sustain a substantial loss.

Mr. MacNICOL: And the minister might have added marriage licences, too.

Mr. ILSLEY: While some of the provinces would have liked an arrangement whereby they could have obtained a guarantee of all the revenue that we are likely to take, and had been left free to keep the surplus of all

revenues we are likely to raise, I did not consider that would be a fair arrangement for the dominion—and neither it would have been. If something very bad happens, I suppose the matter can be considered, but in connection with these agreements the fiscal needs subsidies are not to vary.

Mr. O'BRIEN: If it is the result of action by the dominion government, then the dominion government should consider the situation more favourably than it has.

Mr. ILSLEY: I never can say what will be done in any particular emergency, but the government will have to discharge its responsibilities when the time comes. I do not want to lay down the general proposal here that we are going to guarantee absolutely that the provinces will be kept in a particular position. The gasoline matter is so big and so important and fundamental to the revenues of the provinces that I say that we could not do something drastic like prohibiting altogether the use of gasoline for pleasure driving, a prohibition which might possibly come during the war, and shut our eyes to the financial consequences to the provinces.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. ILSLEY: Mr. Chairman, the leader of the opposition this afternoon asked me to try to get some figures indicating the increase in the revenue derived from income tax for 1941-42 over 1940-41. The hon. member for Yale put the problem in this way. He said: The man on the street may say to me, "In order to get the provinces out of the income and corporation tax fields, you as a member of parliament voted and paid out to the provinces $84,500,000 to $85,000,000. To what extent did the dominion recoup itself?" I expressed the opinion that it would be impossible to give an answer to that in figures. I tried to outline some of the advantages from the point of view of taxation policy which accrued from getting the provinces and the municipalities out of the field, but I did not think a value in figures of any accuracy could be put upon that advantage. I have, however, ascertained the increase in revenue from national defence tax, personal and corporation income tax and excess profits tax for the twelve months ending May 31, 1942, there being a small element of estimate in that figure, compared with the revenue for the twelve months ending May 31, 1941. The increase is startling, tremendous; it is $347,200,000.

Mr. HANSON (York-Sunbury): That would be partly attributable to the increased rate. The minister lumps the three together. Can he give the figures for income tax alone, divorced from excess profits tax and national defence tax?

Mr. ILSLEY: Yes. The increase in personal and corporation income tax alone is $105,100,000.

Mr. HANSON (York-Sunbury): Therefore the minister's estimate of $90,000,000 was really under the actual figure.

Mr. ILSLEY: The two are not comparable. One must put them all in because the increase in the tax on corporations from 30 to 40 per cent was an increase in excess profits tax. The corporation income tax is 18 per cent, and we did not change it. We increased the minimum excess profits tax from 12 to 22 per cent, and therefore the excess profits tax must be included with personal and corporation income tax in any fair comparison. National defence tax should be in there too, because that is really an income tax and was part of our total increase in taxation provided for in the 1941 budget. It is not fair to say that we have paid out $84,500,000 and that we have got in return $347,200,000.

Mr. HANSON (York-Sunbury): Not to put it bluntly like that, I agree.

Mr. ILSLEY: No, for two reasons. In the first place we could have increased our income and corporation tax and the national defence tax to some extent, even if the provinces and municipalities had stayed in the field. As a matter of fact, we increased the excess profits tax and the income tax on corporations from 30 to 40 per cent, an increase of 10 per cent of the income, but we calculated that the provinces were collecting only 7 per cent, so in that case alone of corporation and income taxation we put on a little more than we got the provinces to take off.

Mr. HANSON (York-Sunbury): That is my understanding.

Mr. ILSLEY: That is the first qualification of this figure which must be taken into account. The second qualification of course is that this tremendous increase of $347,200,000 for this year over last year is not due entirely to an increase in the rate but partly due to an increase in business.

Mr. HANSON (York-Sunbury): Quite so.

Mr. ILSLEY: No hon. member need be under the apprehension that we are paying out this $84,500,000 or $85,000,000 and that our receipts from taxation have gone up that much. They have gone up $347,200,000, but—

Mr. HANSON (York-Sunbury:) From all the sources the minister mentioned. I suppose it is not possible to separate the figures and show what was due to the increased rate and what was due to increased business.

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): That would be a tremendous task, and I could hardly expect the minister to get the figures. But the figures the minister has given are revealing. They are perhaps a little beyond what I had anticipated. Of course the rates are exceedingly high. Has the minister given any consideration to the question whether he has not reached the saturation point in this class of taxation?

Mr. ILSLEY: I should not like to say anything about that at this stage of the session.

Mr. HANSON (York-Sunbury): There is no harm in flying a kite once in a while. I have been examining a comparatively large number of financial returns as they have been published from time to time in the financial papers, and I have been impressed with this fact, that owing to the very heavy increase in taxation the net profits are, in most instances, away below what they were before the increase in taxation. I am not complaining about that because the country must have the money, but I know of a company which showed a gross profit of $5,400,000, the best in its history. The write-offs for various items reduced that figure to a net of $2,400,000, and because the tax had not been assessed the directors of the company had to appropriate the whole sum and the shareholders got nothing.

Mr. NICHOLSON: I am very glad that the minister answered the leader of the opposition as he did. I think it would be unfortunate if any statement should be made at this time indicating that we have reached the maximum.

I have two interesting tables before me. One is in the account of the budget speech delivered by the present Minister of National Defence (Mr. Ralston) in 1940, when he was Minister of Finance. On page 17 is a table showing the income tax payable in the different provinces. I notice quite a wide variety of rates. In British Columbia, for example, married persons receiving $500,000—

An hon. MEMBER: If any.

Mr. NICHOLSON: —are taxed, according to the 1940 rate, $357,000. There is a provincial tax of $135,000. Elsewhere the provincial rates are approximately:

Alberta	$145,000
Saskatchewan	181,000
Manitoba	50,000
Ontario	24,000
Quebec and Montreal	76,000
Prince Edward Island	15,000

It will be seen that the rates range from $15,000 in Prince Edward Island to $181,000 in Saskatchewan. I suppose it can be taken for granted that there is no one in Saskatchewan in receipt of so large an income.

Mr. HOMUTH: Is the hon. member sure of that?

Mr. NICHOLSON: I am quite sure of that, although the rates are not broken down on that basis.

Mr. HOMUTH: How about summer-fallow?

Mr. NICHOLSON: Could the minister explain how the rate brought down last year was arrived at, as shown on page 15 of his budget speech. I find that for the same income group, now that the provinces have retired from the field, the proposed tax is $401,000. That is a good deal less than the combined provincial and federal taxes imposed in 1940 in all the provinces with the exception of Ontario and Quebec. Indeed, in respect of incomes of $200,000, $150,000 and nearly all the way down the line, the amount is lower than the rate which was in effect in the previous year in the province of Quebec and Montreal. I imagine that in that province, particularly in Montreal, there is quite a large number of people in these higher income groups. Could the minister give any good reason why, under these new rates of taxation, which according to his statement last year are about as extreme as we can expect, the rates are lower than those previously prevailing in the province of Quebec when his predecessor brought down his budget?

Mr. ILSLEY: I shall have to check the statements, to begin with. I think the hon. gentleman has left out any investment surtax, has he not?

Mr. NICHOLSON: I am simply comparing these two similar tables.

Mr. ILSLEY: I think he has also left out national defence tax, which is very substantial.

Mr. NICHOLSON: No. The figures I have given are after providing for national defence tax.

Mr. ILSLEY: I suggest that, if the hon. member can spare his documents he should send them over. Perhaps I can check them here and give him an answer. I may have to ask him to wait until another day. Usually figures of this sort require a little study before a categorical answer can be given.

Mr. HOMUTH: It is rather difficult to preserve sequence in this debate. Just before six o'clock the hon. member for Northumberland, New Brunswick, asked certain questions with respect to the gasoline tax and the liquor tax. I was about to ask a question when the hon. member for Renfrew South (Mr. McCann), who was in the chair, declared that it was six o'clock. We come back at eight o'clock and find that we have to take up an entirely different trend of thought. We were discussing whether there would be any agreement as between the provinces and the dominion government with respect to the lowering of gasoline tax revenues as a result of war conditions. At that time the minister said that there are certain things which we cannot control; that we cannot predicate our taxation on war conditions. I quite appreciate that. But one thing which war conditions do not particularly affect is the revenue derived by the provinces from liquor. I know the minister and all other hon. members realize that, apart from provincial revenues from mining and lumbering—and even those are more or less controlled by the federal government through the controllers whom we have appointed—the greatest provincial revenue comes from liquor taxation. In view of the arrangement made as between the federal government and the provincial governments there is something which I think it is important that the provinces should know, particularly in view of the campaign which is going on from Halifax to Vancouver in favour of curtailing not only the sale but also the manufacture of alcoholic beverages. Would the minister be prepared to say now, so as to give some assurance to the provinces that are depending on this revenue to carry on their various paternal and social legisative enactments, that the federal government has no idea at the present time of making any change whatsoever in the liquor laws which would adversely affect—

An hon. MEMBER: The breweries?

Mr. HOMUTH: No, the revenue. I am not talking about the breweries alone. I am speaking of revenue. This is the revenue which hon. members connected with the Cooperative Commonwealth Federation are always asking about—revenue belonging to the provinces. Is the minister prepared to say that the federal government will not introduce any legislation which will adversely affect the revenues of the various provinces so far as it is dependent on the sale of alcoholic beverages?

Mr. ILSLEY: I would not care to make a commitment of that kind. I wrote the premier of Ontario some months ago that it was not the intention of the dominion government to step into the field of regulation of the sale of liquor, that the dominion considered that that should be left to the provinces; and that is what I do feel about that. I believe that the provinces should assume and properly discharge the responsibility of regulating the sale of liquor. But if the hon. gentleman wants me to go to the length of saying that no legislation will be introduced which may adversely affect the revenue from the sale of liquor, I do not know what the ramifications of that commitment would be, and I would not like to make it.

Mr. HANSON (York-Sunbury): There is no question about the jurisdiction to do it, though.

Mr. HOMUTH: The minister perhaps misunderstood me. I realize that his budget may, through taxation, affect indirectly the sale of liquor. What I am getting at is, that the federal government is not prepared to bring down any legislation which will curb sales, apart from the fact that extra taxation may be levied. The federal government does not intend to bring about any question of prohibition in the country?

Mr. ILSLEY: The statement I made in my letter to the premier of Ontario, which was given publicity at the time, still stands. It is not our intention to regulate the sale of liquor. That we consider is primarily at least within the jurisdiction of the provinces, and the provinces should assume and discharge that responsibility. I think they are prepared to do so.

Mr. HANSON (York-Sunbury): The government is not prepared to exercise any measure of control over the sale of intoxicating liquors, but the question of taxation is quite another matter. The minister distinguishes between the two.

Mr. ILSLEY: Yes. I can imagine other ways. I do not want to foreshadow anything, because I have nothing in mind as likely to be done, but I can imagine other things that might possibly affect the production of liquor, or something of that kind.

Mr. HANSON (York-Sunbury): Or the importation.

Mr. ILSLEY: Yes, something of that kind. I do not know what it may be necessary to

do before the war is over, but it is not our present intention, any more than it was at the time I wrote Mr. Hepburn and gave the letter to the press, to enter into the field of regulation of sale in the provinces.

Mr. HANSON (York-Sunbury): Although the jurisdiction is there.

Mr. ILSLEY: We have the power under the War Measures Act.

Section agreed to.

On section 2—Agreements with the provinces

Mr. NICHOLSON: Will the minister make a statement with regard to the point I raised?

Mr. ILSLEY: It is unfortunate that the hon. gentleman has not these documents before him so that he can follow what I say. The tax on a married person with no dependents, having an income of $500,000, is now $401,120. That includes national defence tax, but does not include the surcharge on investment income. This was not exactly a new feature, but the tax on investment income was changed last year so that it became a much more important feature of taxation than it was before. But without that, the tax on a married person with no dependents is $401,120. Before that, it is quite true that in Alberta the combined dominion and provincial taxes amounted to $502,935. That is more than 100 per cent of the income and is not in accordance with my views as to what taxation should be. I do not believe in more than 100 per cent income tax.

Mr. NICHOLSON: If the minister would confine his comparison between the present tax and the tax prevailing in Ontario and Quebec, that would give real cases, because there are no people getting $500,000 in the western provinces.

Mr. ILSLEY: I will read them and come to Ontario and Quebec. I do not know how many people have incomes of $500,000. I think they would be confined practically to Ontario and Quebec, but since the hon. gentleman mentioned the other provinces I may give the figures. The tax in Saskatchewan on a person of the description I have mentioned, having an income of $500,000, was $538,332.18 which was a bit heavy even for so rich a man. British Columbia, I believe, was mentioned.

Mr. HANSON (York-Sunbury): Give us the whole picture.

Mr. ILSLEY: I want to mention the ones the hon. gentleman mentioned.

Mr. NICHOLSON: I mentioned them all.

Mr. ILSLEY: In British Columbia the tax was $492,230. We now come to Ontario and Quebec. Ontario would be the most important province from this point of view and the tax was $381,103.30. That was raised to $401,120 plus the special tax on investment income, whatever the amount might be. In Quebec, the figure given by the hon. gentleman included three taxes—the dominion tax, the provincial tax and the city of Montreal tax. These three taxes did amount to $433,682. It may have been that there were taxpayers in the city of Montreal—I do not know—who paid in one or more years $433,000 dividing it up among the dominion, the province of Quebec and the city of Montreal, and that did become $401,120 plus the surtax on investments. The hon. gentleman asks, why did we reduce that? I presume we thought that $401,000 was pretty good, that it was about a fair rate of taxation. It is a pretty large proportion of the income and raised substantially the tax on persons in that category in Ontario, where I believe most of them would be. It is not fair to base a tax on a triple tax. The triple tax that existed in Montreal was recognized as—not exactly a scandal, but an undesirable arrangement.

Mr. HANSON (York-Sunbury): Inequitable.

Mr. ILSLEY: Yes, inequitable.

Mr. NICHOLSON: While I discussed just this one group—and I agree that we have not a very large number of people in this $500,000 category—I quoted figures all the way down the list in the province of Quebec and in Montreal of taxes prevailing higher than the present tax. I cannot agree with the minister's statement that the $433,000 tax in the province of Quebec is too high under present circumstances. The President of the United States in one of his recent addresses referred to a maximum income of $25,000, and the taxation that prevailed in Quebec left around three times that amount to people in this particular bracket. It seems to me that the tax prevailing in Quebec before the minister brought down his budget last year should be the minimum rate that should prevail under the new legislation. I know the rates arrived at have been a compromise between Ontario and Quebec, where most of the people in these higher income groups are found. It seems to me that consideration might have been given to retaining the rates which prevailed in Quebec.

Mr. ILSLEY: My hon. friend should say the city of Montreal.

Mr. NICHOLSON: And Quebec.

Mr. ILSLEY: No; the hon. gentleman has selected the one place in the province of Quebec where he gets these rates; he gets them by combining three taxes: dominion, provincial and municipal; and he says that should have been our model, that we should have based our legislation on the Montreal situation. I do not agree with him. With regard to whether the rate should have been raised this year to that figure or a higher figure or to an amount that would leave a man only $25,000 is a matter for consideration. But a year ago there certainly was no $25,000 ceiling in the United States nor was one thought of.

Mr. HANSON (York-Sunbury): Nor will there be.

Mr. ILSLEY: Nor is there yet, for that matter.

Mr. NICHOLSON: I do not wish to labour this point, but when the present Minister of National Defence brought down his budget in 1940 I remember one hon. member from Montreal, I think the hon. member for Westmount, stated that he had no doubt there were more people in his constituency who would be affected by this drastic increase than perhaps in any other constituency, and he was pleased to say that he had not received a single criticism from anyone in his constituency regarding this increased taxation. While I agree that the tax scale which prevailed in Montreal was higher than any in the rest of Canada, I think, in view of the statement of that hon. member, that scale should have been maintained in subsequent budgets in deciding what would be a fair rate.

Mr. MacNICOL: I should like to ask the minister a question in reference to the latter part of section 2 reading:

> . . . and subject to such exceptions as may be set out in such agreement, for the duration of the war and for a certain readjustment period thereafter. . . .

Has the minister arrived at any understanding with the provinces as to the length of this "certain readjustment period"?

Mr. ILSLEY: Yes, that is provided for in the agreement, section 23:

> This agreement shall continue in force until and terminate on the last day of the fiscal year of the province ending nearest to the thirty-first day of December in the first calendar year which begins after the date of cessation of hostilities complete or substantial between the Dominion of Canada and Germany, Italy and Japan unless sooner terminated pursuant to the provisions hereof.

[Mr. Ilsley.]

Mr. HANSON (York-Sunbury): How long might that be? My lightning calculator says it might be anything from thirteen to twenty-three months. Does the minister agree?

Mr. ILSLEY: I would have to work at that to see what the maximum might be. I think something would depend on the dates on which the fiscal years of the provinces end.

Mr. HANSON (York-Sunbury): That is one of the starting points.

Mr. ILSLEY: Yes. I do not want to work it out now unless I am obliged to.

Mr. HANSON (York-Sunbury): This bill must have been drafted after the agreements were drafted. I wonder why this rather indefinite phrase is used when the minister has in the agreements themselves what would appear to be a definite statement which could be worked out mathematically in respect of each province. Why should that not be in the bill?

Mr. ILSLEY: There was not much need to insert it; the agreements were all prepared and agreed on, and everyone knew what it was. A short summary description of the period after the duration of the war was all that was necessary for the bill.

Mr. HANSON (York-Sunbury): In other words, this phrase is merely descriptive?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): I think it could have been better drafted.

Section agreed to.

On section 3—Annual amount of compensation.

Mr. HANSON (York-Sunbury): Were the figures contained in 3 (a) in the case of the provinces which elected to accept their income and corporate tax payments audited by the federal authorities?

Mr. ILSLEY: Yes; that is correct.

Mr. HANSON (York-Sunbury): Those figures are vouched for?

Mr. ILSLEY: Yes. I have a correction to make, an amendment to move relating to the amount for Manitoba.

Mr. HANSON (York-Sunbury): How did the error occur?

Mr. ILSLEY: It was either a typing error or a printing error. I think it arose in this way, that the first instead of the corrected copy of the bill was handed to the officers for

printing. It was not an error in calculations. That is shown by the fact that the last five figures are the same.

Mr. HANSON (York-Sunbury): What should the figure be for Manitoba?

Mr. ILSLEY: It should be $5,054,740.92.

Mr. HANSON (York-Sunbury): There was another amendment—

Mr. ILSLEY: They come in sections 4 and 5.

Mr. MacNICOL: I should like to ask a question based on that part of paragraph (a) of section 3 which reads:

> . . . being an amount in each case calculated as equivalent to the total revenue obtained by the said provinces from personal income and corporation taxes during the fiscal year of each of said provinces and of municipalities therein ending nearest to the 31st day of December, 1940. . . .

And that part of paragraph (b) of the same section which reads:

> . . . being an amount in each case calculated as equivalent to the net debt service paid by the province during its fiscal year ending nearest to December 31, 1940.

Is the basis on which these amounts are granted the same, in spite of the expressions used in describing how the amount is made up? In one case we find the expression "equivalent to the total revenue obtained by the said provinces from personal income", and in the other case "equivalent to the net debt service".

Mr. ILSLEY: Those are different bases, entirely.

Mr. MacNICOL: What is the difference? What is the reason for the different bases?

Mr. ILSLEY: Because the option is given to provincial governments to accept the amount of the tax collections or the amount of the debt service, less succession duties. Some of the provinces took one option and some took the other one.

Mr. McLARTY: I move, in accordance with the observations of the Minister of Finance:

> That the figure $5,634,740.92 on line 33, subclause (a), clause 3, be amended to read "$5,054,740.92."

Mr. REID: With regard to the proviso, what is really involved by saying to any province that any arrears of personal income and corporation taxes collected by them shall be deducted from the annual amount provided them by the dominion government, and later on be paid? Why should a province not be allowed to collect its arrears of income tax and immediately apply those arrears to its annual expenditures?

Mr. ILSLEY: It would give them entirely too much the first year. It would give practically twice the revenue they require. If that were done in Ontario, for instance, it would mean that instead of having about $30,000,000, Ontario would have about $60,000,000 on which to operate in the year 1941-42. That would, of course, be entirely unnecessary. It would mean that at the end of the time there would be a year when Ontario would have nothing. Therefore the arrearages—I believe that term was used by an hon. member—are held back by the dominion to be paid at the end of the time.

Mr. HANSON (York-Sunbury): Payment is just postponement. I should like to ask a question with respect to the figures in paragraph (b). I believe Nova Scotia had an income tax, had it not?

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): A personal income tax?

Mr. ILSLEY: No, no provincial personal income tax.

Mr. HANSON (York-Sunbury): Neither did New Brunswick. Prince Edward Island did, did it not?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): And Saskatchewan did?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): It is obvious that New Brunswick, not having had any personal income tax, and having a limited corporation tax, would have fared rather badly if the other alternative had been chosen. I believe they have chosen the wiser course. In the case of Nova Scotia, what would be the difference? I understand they had a corporation tax, but no income tax?

Mr. ILSLEY: That is correct.

Mr. HANSON (York-Sunbury): The same with New Brunswick.

Mr. ILSLEY: Nova Scotia had a corporation income tax, as well as corporation taxes; they are different.

Mr. HANSON (York-Sunbury): They had a profits tax.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): I think New Brunswick had something like that; and Saskatchewan had an income tax.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Has the minister the figures available for Saskatchewan to show what the figure would have been, had that province accepted the alternative (a) rather than the alternative (b)?

Amendment agreed to.

Mr. ILSLEY: I shall answer the question now. Before section 3 as amended is carried, I believe some hon. members would like to discuss it further. Had Saskatchewan taken option (a) they would have received $2,092,922.69; but by taking option (b) they are receiving $4,330,471.29, in addition to the fiscal needs subsidy.

Mr. HANSON (York-Sunbury): That comes in under section 4.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): What would be the figures for New Brunswick?

Mr. ILSLEY: Had New Brunswick selected option (a) they would have received $2,450,-067.45, instead of which, by selecting option (b), they receive $3,278,574.15, in addition to the fiscal needs subsidy.

Mr. HANSON (York-Sunbury): Will the minister put Nova Scotia and Prince Edward Island on record, too?

Mr. ILSLEY: Yes. I shall give the figures for Prince Edward Island first. Had Prince Edward Island selected option (a), they would have received $251,943.96, but by taking option (b) they got $264,769.94, in addition to the fiscal needs subsidy. If Nova Scotia had taken option (a), they would have received $1,611,-078.03, but by taking option (b) they received $2,585,308.72, in addition to the fiscal needs subsidy.

Mr. HANSON (York-Sunbury): The proviso is that the provinces are not entitled to the arrears at the moment. They are postponed until after the termination of the agreement. What is the position with respect to arrears of income tax qua municipalities? I understand that they are allowed to collect their arrears. Is that correct?

Mr. ILSLEY: They are treated the same as the provinces.

Mr. HANSON (York-Sunbury): Is the minister quite certain about that? The impression has gone abroad in New Brunswick that they are entitled to retain their arrears of income tax in addition to the government grant provided for in appendix D, which aggregates $1,384,000.

Mr. ILSLEY: It all depends upon what is meant by arrearages. It must be remembered that the term of this agreement, in the case of New Brunswick, begins on November 1, 1940.

Mr. HANSON (York-Sunbury): That is the beginning of their fiscal year.

Mr. ILSLEY: Each agreement begins on the beginning of the provincial fiscal year nearest to January 1, 1941. In the case of New Brunswick their fiscal year begins November 1, 1940. They are entitled to the payment provided for by this agreement for the period beginning November 1, 1940. At the same time, during the first fiscal year of the agreement and during subsequent fiscal years, but to a smaller degree, they will be actually collecting arrearages. During the first year they will collect a very substantial sum, perhaps nearly as much as the amount payable to them from the dominion.

Mr. HANSON (York-Sunbury): Say 50 per cent as an illustration.

Mr. ILSLEY: We could find out exactly, but I think it might go as high as 90 per cent of what was due them from the dominion. They would keep those arrearages and the dominion would simply pay them the remainder.

Mr. HANSON (York-Sunbury): Deduct them.

Mr. ILSLEY: It would be the same as if they deducted the amount of the arrearages. Those arrearages would be accumulated by the dominion in that and subsequent years. If they collected some back taxes, which would be truer arrearages, they would subtract those from the payment due from the dominion until the dominion had in its hands a sum equal to the payment due the province for the first year. Then, after that, if the province collected any arrearages they could keep those arrearages and do anything they liked with them. At the end of the agreement they would be entitled to the accumulation of arrearages which the dominion would have in its hands and which would be a sum equal to the payment due the province for the first year.

Mr. HANSON (York-Sunbury): I understand that.

Mr. ILSLEY: That is the arrangement applied to the municipalities.

Mr. HANSON (York-Sunbury): I am glad to have the minister make that specific statement because the municipalities think they are going to have their grant from the dominion through the province on the basis of this agreement and hold their collections as well. I think nearly all the municipalities run their fiscal years coincident with the calendar year, and a comparison is a little difficult. In the case of Fredericton, the assessment just out is on the basis of their getting the full amount named in the appendix, namely $79,949.93. But there are always collections on account of arrearages, and those would be deducted from that item by the province, or be paid over to the province and handed to the dominion, or whatever machinery might be used. It would be accumulated until the end of the period. They are not going to have that now—that is quite clear from the minister's statement—in addition to the grant.

Mr. ILSLEY: I do not think that is the situation.

Mr. HANSON (York-Sunbury): Then I should like to know what it is.

Mr. ILSLEY: It is so hard to explain this.

Mr. HANSON (York-Sunbury): Perhaps I am dense.

Mr. ILSLEY: The hon. gentleman certainly is not; it is just one of those matters that mixes anyone up for the first three months. We shall have to take the city of Fredericton and see what the exact transaction would be. In one sense they do keep their arrearages, but in another sense they do not.

Mr. HANSON (York-Sunbury): They do not get them twice.

Mr. ILSLEY: I think what happens to the municipalities is set out pretty well in the agreement.

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

Mr. ILSLEY: Sections 10 and 11.

Mr. HANSON (York-Sunbury): I think section 11 makes it quite clear. I should like to have some publicity given to this, because there is some misapprehension throughout the province and especially in the city of Fredericton with regard to it. I may be wrong in making that statement, but that is what I gathered from discussing the matter with his honour the mayor who is a visitor to Ottawa. In talking to him on the train last night I got the impression that they expected to keep their arrears. I think section 11 of the New Brunswick agreement makes it very clear. It reads:

> From the sum of $3,650,067.45 payable by the dominion each year under the provisions of section ten, there shall be deducted from time to time pursuant to the provisions of section 14, the amount of any income and corporation taxes collected by the province during the term of this agreement and the amount of such taxes collected by its municipalities during the twelve months following the last day of the year one thousand nine hundred and forty, under the provisions of any of the enactments enumerated in appendix A—

That would be another matter.

Mr. ILSLEY: Appendix A covers income and corporation taxes.

Mr. HANSON (York-Sunbury): The section continued:

> —less the amount of any such taxes so collected which are later refunded to the taxpayer pursuant to the provisions of sections 5 and 6; provided that after the cumulative total of all such deductions amounts to $2,450,067.45 no further deductions shall be made.

That amount is the difference between the $3,650,000 and the amount referred to in section 10.

Mr. ILSLEY: That is not it.

Mr. HANSON (York-Sunbury): Then I should like the minister to explain it. I thought I had it, but I am afraid I have not.

Mr. ILSLEY: The city of Fredericton is entitled to the amount collected in income and corporation tax in 1940—

Mr. HANSON (York-Sunbury): Which was?

Mr. ILSLEY: I do not know.

Mr. HANSON (York-Sunbury): It was $79,949.93.

Mr. ILSLEY: I do not know. Perhaps I can get that in a minute.

Mr. HANSON (York-Sunbury): That is the amount indicated by the attached memorandum.

Mr. ILSLEY: Let us assume that that is the figure, $79,949.93. If it is wrong I will correct it later. Let us say that the city of Fredericton in 1940, which is their fiscal year and is also the calendar year, collected $79,949.93. They get from the dominion, through the province, that much each year during the term of the agreement. In 1941, let us say they collected $70,000 over and above refunds that they would have to make pursuant to the agreement. Let us say they collected $70,000 in 1941. Would they collect more or less?

Mr. HANSON (York-Sunbury): This is 1942. I think it was around $80,000.

Mr. ILSLEY: If they collected more than $79,949.93 they would keep the whole thing and would get nothing from the dominion, and they could keep their arrearages thereafter and get $79,949.93 each year.

Mr. HANSON (York-Sunbury): That is what I understand, but I did not understand that the minister agreed with that.

Mr. ILSLEY: There is so much chance of misunderstanding and ambiguity about what arrearages are.

Mr. HANSON (York-Sunbury): This is my understanding about arrearages. A man is assessed on his income for 1938 in 1939 and he does not pay the tax, but he pays it during 1941 after this agreement takes effect. Does the city keep that irrespective of this $79,000?

Mr. ILSLEY: In the case I put they would.

Mr. HANSON (York-Sunbury): I think they ought to, myself. That is the minister's interpretation of the contract?

Mr. ILSLEY: There is no doubt about that.

Mr. HANSON (York-Sunbury): That is good. That is all I wanted to know.

Mr. ILSLEY: But you might have a municipality that did not collect as much that year.

Mr. POTTIER: Under this section large amounts are to be paid to the provinces for the purpose, I have no doubt, of enabling them to carry on. Let us assume that a province decides to default on one of its obligations. Is there anything in the agreement whereby the payments are affected by such act? The province could very well make money by defaulting on its interest and the like unless some steps were taken to prevent it. What has the minister to say about that?

Mr. ILSLEY: There are certain provinces with which we have made an agreement on the basis of assuming their debt service less succession duties. We have done that for the purpose of putting them in funds with which to pay the interest on their debt. Some provinces have taken the debt service option, which is option B. If, after entering into this agreement, any province repudiates and does not pay the interest which is due to its creditors, after having got the money from us on that basis, I can assure the committee that we would take a very grave view of that situation. I do not think any province would do it. I certainly hope that no province would undertake to do it; but if they did, speaking for myself, I would give very serious consideration to a reduction in the amount paid to that province, despite the terms of the agreement.

Mr. HANSON (York-Sunbury): I am glad to have the minister make that declaration. I think any government ought to take a very grave view of a situation like that if it arose. I have no thought that it will arise. I think everything will be done in good faith. But I would point out to the minister that that situation is not covered in the agreement, and the question is whether he should proceed on the assumption that a province might possibly make default, or on the other assumption that a province would honourably carry out its contractual obligations and pay its carrying charges, having regard to the fact that the money is being supplied by the federal treasury. I would give the minister my vote in the position he has assumed that the province would carry out its obligations. But if it did not, whether he would dare to take drastic action is another question. You have a contract between the crown in the right of the province and the crown in the right of the dominion, and I would not suppose that you could override that contract except by act of parliament. I do not think any other action would be upheld by the courts. But I was glad to have the minister make that statement.

I want to review the position on which the payment to New Brunswick is based. The province accepted option B, the debt service grant, less all dues. I am going to spread on the record the items which make up the total of $3,278,574.15 which the federal treasury is to pay to the province. Some of these figures are striking, having regard to the fact that New Brunswick has only half a million people and a budget a little in excess of $10,000,000.

The debt charges are as follows: Interest on funded debt, $4,277,129.34; interest on treasury bills—that means interest on floating debt—$98,164.53; interest on bank drafts, overdrafts, and temporary loans—that is not floating debt but I assume temporary loans are temporary deposits, bearing interest, with the government—$16,145.62; other debts—it does not distinguish what they are—$7,221.74. Then follows this item: Foreign exchange, $310,061.83. That, I assume, was the cost to the province for the fiscal year ended October 31, 1940, of exchange on the principal and interest of its debt held in the United States and payable in United States funds, which of course is a very heavy charge. Then follows: commission and

other charges of management, $8,847.93. I would say that that was a proper item of debt service or debt charge. Altogether these items make a total of gross debt charges, excluding debenture, discount, amortization, sinking fund or debt retirement, which is properly excluded, of $4,717,570.99. That is, approximately 40 per cent of the total revenue of the province is required to take care of the interest charges and the foreign exchange on the public debt of New Brunswick. That is a very serious situation for the province. It just means this, that the province for a long time—and I am not confining it especially to recent years—has been heaping debt upon debt upon the backs of the people of the little province of New Brunswick. A very large portion of that was incurred during the last five or six years, and it is not a creditable situation. Against that are these credits of interest received, made up of interest on sinking fund investments, $416,694.01; investments in government utilities—hydro and the like—$400,715; advances and amounts receivable—whatever that means—$68,978.66; sundry loans and deposits, $4,786.34. The total interest receipts are $891,174.01, leaving the net debt charges, excluding debenture, discount, amortization and sinking fund or debt retirement, $3,826,396.98. Deducting succession duty receipts for the same fiscal period, namely the fiscal year ended October 31, 1940, $547,822.83, we find there is left a net debt charge of $3,278,574.15, as stated in the bill.

Of course, this is a generous payment to New Brunswick. I have said that from the very beginning. But the pity of it is that so much of the revenue of the province—approximately 47 per cent—has to go in interest. I will not say that it shows profligacy, because I do not want to use so strong a term, but at least it indicates that they were very careless with the province's credit in the days gone by, with the consequence that the province's debt is top-heavy to-day.

I am going to have something further to say, on section 4, with regard to the fiscal needs subsidies.

I want to put those figures on *Hansard* because the minister has not done so. I think it would be illuminating if hon. members of this committee from other provinces were to put on the record the figures as stated by the federal government, so that the public might have before them a comprehensive statement of the true financial position of some of the provinces.

Section as amended agreed to.

On section 4—Additional subsidies.

Mr. MacNICOL: This section sets out the additional subsidies during each year of the term of the agreement to the provinces of Nova Scotia, New Brunswick, Prince Edward Island, Manitoba and Saskatchewan. On what basis are these five provinces accorded the extra subsidies set out in this section?

Mr. ILSLEY: On the second reading of the bill I stated that when section 4 was under discussion I would wish to give the house more information in regard to the principles and considerations which led us to fix upon the fiscal needs subsidies recommended for the three maritime provinces and for Manitoba and Saskatchewan.

Unfortunately, there was no ready-made formula which could be used for this purpose. It was a question of judgment based on a great many factors. Of necessity the decisions had to be somewhat arbitrary, but there were a number of important factors or principles which were taken into account.

In the first place, we considered it preferable to settle once and for all the amounts of the annual payments under the agreement to the provinces, including the fiscal needs subsidies, if any. The alternative would have been for the dominion to review the provincial budgets each year, which would entail a careful and detailed scrutiny of all expenditures.

Mr. HANSON (York-Sunbury): Would that have been an unmixed evil?

Mr. ILSLEY: I think it would have been undesirable.

Mr. HANSON (York-Sunbury): That is, they would resent it.

Mr. ILSLEY: I would rather have the hon. gentleman doing it than myself.

Even if the dominion were in a position to do this effectively, which it is not, it would tend to create antagonism and friction between the dominion and the provinces, and in addition would have involved a number of other undesirable factors. Under the circumstances, it seemed wiser to fix the subsidy where one was needed at an amount which would permit a province to stand on its own feet until the end of the war without coming back to the dominion for further assistance. This does not, of course, mean that if something in the nature of a national catastrophe should occur, it would not be necessary for us to review the situation again and perhaps take necessary supplemental action.

Mr. HANSON (York-Sunbury): That is leaving the door open.

Mr. ILSLEY: It is not very far open. I think the committee will agree that barring such developments of a grave and emergent nature, no province should feel that it has any right to come back to the dominion for further assistance under present conditions.

Mr. HANSON (York-Sunbury): That is positively closing it.

Mr. ILSLEY: As a result of the agreement, it knows pretty well what its total revenues will be; it should know the total amount of cloth available to it and it should cut its coat according to its cloth.

Second, it was desirable to use as far as practicable "objective criteria" as a basis for assessing the financial position of any of the provinces requiring fiscal needs subsidies. This phrase "objective criteria" was used frequently in the discussions with the provinces. In other words, it was desirable that consideration should be given to known facts rather than to hypothetical considerations. This meant that the basic consideration had to be the financial position of the province during its last completed fiscal year, together with any other known factors which might reasonably be expected to alter such position in the future, but that no attention should be paid to contingencies of an intangible or a speculative nature or provisions for emergency situations.

It will be understood that several of the provinces argued for something of the nature of insurance against emergent situations. They argued that they could not tie themselves up in this way, that they might have to do this and they might have to do that which would cost them money, and that the dominion, if they were fixing these fiscal need subsidies once and for all, would have to take account of possible or certainly probable developments.

Mr. HANSON (York-Sunbury): In other words, they wanted the dominion to assume responsibility in any emergencies.

Mr. ILSLEY: Yes. I do not say they were unfair about it at all; but the principle we went on was that we could not base our payments upon hypothetical considerations, or possibilities of emergencies, or anything like that.

Third, while some increases in provincial costs may be expected, particularly in connection with cost of living bonuses for civil servants, interest on indebtedness, maintenance of highways and bridges which are being subjected to heavy traffic wherever near army, navy and air force camps, and possibly in certain cases higher salaries to retain public schoolteachers, there should be a reasonable limit to any of such increases in costs in view of the ceiling which has been placed over prices and wages. Furthermore, these increased costs will be offset partly or wholly by reductions in unemployment relief and by increased revenues.

Fourth, the relative level of costs and services in the different provinces cannot be ignored, but in view of the tremendous sums which the dominion must raise for war expenditures, this was not considered an appropriate time for certain of the provinces to bring their services up to the levels prevailing in other provinces. There is an obligation on all governments to defer until after the war every expenditure which can possibly be avoided.

It was in the light of these general principles and considerations that the fiscal needs subsidies provided for in the bill were determined. In view of their strong budgetary position it was obvious at once that no fiscal needs subsidy could be justified in the case of Ontario, Quebec, Alberta and British Columbia.

In the case of the maritime provinces there was a special situation in view of the fact that the special grants voted annually to these provinces as a result of the recommendations of the Duncan and White commissions represented in fact additional subsidies which the dominion is bound to continue. It was for this reason that a special clause was inserted in the agreements with the maritime provinces to the effect that the dominion recognizes that these grants are in the nature of a subsidy and undertakes to continue paying them upon the termination of the agreement. As the committee is aware, Bill No. 17 has been introduced in order to incorporate this undertaking in dominion legislation so as to avoid any possibility of misunderstanding at a later date.

Under these circumstances none of the maritime provinces could reasonably be expected to enter into the agreement if it was going to result in an out-of-pocket loss to the province on the basis of its 1940 operations. Otherwise the province would be better off if it continued to receive the annual special grant from the dominion and continued to collect the relatively moderate taxes imposed upon its residents. In the case of all three maritime provinces there would have been out-of-pocket losses, and for this reason alone fiscal needs subsidies would have been justified and required.

The subsidy of $325,769.31 which is recommended for Nova Scotia is in fact the amount of the out-of-pocket loss to the province; in other words, the total loss of its fiscal needs subsidy plus the annual payment to be made

to Nova Scotia under section 3 of the bill will merely place Nova Scotia in the same position it would have been in if it had retained its special annual grant or subsidy and had not suspended its income and corporation taxes—on the basis of 1940 results from these taxes. Any additional payment was not considered justified in view of the province's strong budgetary position. After making up the out-of-pocket loss referred to, the province would have a surplus of $1,096,000 on the basis of its 1940 operating results after provision for debt retirement. That answers the question as to the basis for the fiscal needs subsidy for Nova Scotia.

In the case of Prince Edward Island, the out-of-pocket loss to the province on the basis of its 1940 operations, had no fiscal needs subsidy been provided for in the agreement, would have been $262,174.02, and the province would have had a deficit of $280,000 before making any provision for debt retirement or providing any cushion whatever for possible increases in certain costs. It was believed that the dominion should not assume responsibility for placing every province in a position where it could meet its full obligations for sinking funds or debt retirement. To do so would mean that the dominion, out of its own current revenues, would be paying off the capital obligations of a province. Furthermore, the required provisions for sinking funds and debt retirement vary considerably in the different provinces; they are particularly high in Prince Edward Island where they average some 2½ per cent of the total debt. On the other hand it could be argued that the dominion should leave the province in a position to make some minimum capital expenditures or, alternatively, to make some moderate provision for sinking funds or debt retirement and, in addition, have something as a cushion against increased costs. In the case of Prince Edward Island, therefore, it is recommended that the dominion should pay a fiscal needs subsidy of $175,000 in addition to the $262,174.02 necessary to make up the loss which, as I have already pointed out, Prince Edward Island would otherwise have suffered under the agreement; this means a total fiscal needs subsidy of $437,174.02. On the basis of the 1940 results this would leave a surplus of $157,000 before provision for sinking funds. A sinking fund provision of one per cent of the province's outstanding debt at December 31, 1940, would be $85,000, leaving $72,000 as a cushion against increased costs. Actually sinking fund requirements were $205,000 in 1940, so that on this basis, after making this very heavy provision for debt retirement and giving effect to all the dominion's proposals, there would have been a deficit of $48,000 on the basis of 1940 operations. I think that answers the question in regard to Prince Edward Island.

In the case of New Brunswick, the out-of-pocket loss to the province already referred to would have been $71,493.30. It is proposed to make up this loss and to pay, in addition, $300,000 as a fiscal needs subsidy, making a total of $371,493.30. This would leave the province, on the basis of its 1940 operations, with a surplus after provision for normal debt retirement—which is somewhat less than 1 per cent of its total outstanding debt—of $353,000, which we do not consider excessive at all and which we thought was fair. I think that answers the question in regard to New Brunswick.

So much for the maritime provinces. I have still to deal with the provinces of Manitoba and Saskatchewan.

After deducting the loss of the $750,000 special grant to Manitoba, which was cancelled last year, Manitoba would have had a surplus of $1,040,000 on the basis of its fiscal year ended March 31, 1941, before making any provision for sinking funds or debt retirement. A provision, for this purpose or for capital expenditure, of one per cent of the province's outstanding debt would amount to about $900,000, leaving only $140,000 for increased costs in the future. Costs have been held down and services starved in Manitoba in recent years to a very considerable extent, and some increases are to be expected in the future, particularly for highway maintenance and education. In view of this, it was proposed that Manitoba should be given a fiscal needs subsidy of $600,000 per annum, instead of the special grant of $750,000 which the province had been receiving in recent years.

In the case of Saskatchewan, after giving effect to the new arrangement—apart from any fiscal needs subsidy—the province would have had a deficit of $653,000 on current account for the year ended March 31, 1941, before making any provision for sinking funds or debt retirement. A sinking fund provision of 1 per cent of the outstanding debt would require $1,261,000, which, if added to the deficit of $653,000, would mean a total deficit of $1,914,000. Actually Saskatchewan has not been providing for its full sinking fund requirements for some years, so that it would not be reasonable for the dominion to make up the full amount of the deficiency referred to plus a cushion to take care of any increases in costs. After all the factors were considered, it was decided to recommend that Saskatchewan should be granted a fiscal needs subsidy of $1,500,000 which, after the current

account deficit of $653,000 is deducted, will leave $847,000 for debt retirement or as a cushion for future increases in costs. Actually the provision made by Saskatchewan for debt retirement in its fiscal year ending April 30, 1941, was only $170,000. On the basis suggested, Saskatchewan should be able to stand on its own feet for the first time in many years and should be required to do so.

Mr. MacNICOL: Is not Alberta in a more unfavourable financial position than Saskatchewan as regards what the minister has been saying?

Mr. ILSLEY: No. Alberta has a comfortable surplus without any fiscal needs subsidy.

Mr. MacNICOL: I understood they were repudiating a portion of their debt interest.

Mr. ILSLEY: They are paying half the interest on their debts, but they have a substantial surplus.

Mr. MacNICOL: Why should we not help Alberta too?

Mr. HANSON (York-Sunbury): In the light of the statement with respect to fiscal needs and the suspension of certain subsidies, what is the effect of the estimate, page 10, 1942-43, "Subsidies and special compensations to provinces", $13,768,953.24? That was the vote last year. Will it be effective now after this bill goes through—these grants to the different provinces? What is this money?

Mr. ILSLEY: What we call constitutional subsidies will continue to be paid to the provinces.

Mr. HANSON (York-Sunbury): That is the 80 cents a head?

Mr. ILSLEY: And its developments, yes.

Mr. HANSON (York-Sunbury): They are continuing to be paid?

Mr. ILSLEY: Yes.

Mr. STIRLING: These will be additional to that?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): So that New Brunswick, in addition to the amount mentioned in section 3 of this bill, $3,278,574.15, and $371,493 for fiscal needs, receives $693,040 based on population; that grant has not been altered in any way?

Mr. ILSLEY: No; New Brunswick gets its regular constitutional subsidy under the British North America Act as usual. That is not affected in any way. It is only its special grant that was terminated; that is under the White and Duncan commissions.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): The $900,000 under the White and Duncan commissions is cancelled, but the statutory provision always in force is continued?

Mr. ILSLEY: That is right.

Mr. HANSON (York-Sunbury): So that under the present arrangement New Brunswick will now be receiving three different payments:

$3,278,574 under section 3 of this bill
$ 371,493 under section 4 of this bill
$ 693,040 as shown by the main estimates.

And in addition a guarantee against any deficit in the gasoline tax?

Mr. ILSLEY: Yes; that is correct.

Mr. HANSON (York-Sunbury): I think the federal treasury has been pretty generous to them.

I want to ask a question about this special grant in aid under section 4. It is stated in the bill to be $371,493.30. On reference to appendix D, the break-down figures for New Brunswick, that is arrived at as shown: Loss of revenue to the province under the proposals, $1,065,657.22; municipal, $1,384,410.23; total $2,450,067.45. Added to that are the special grants of $900,000 under the Duncan and White commissions, or a total of $3,350,067.45, from which stands to be deducted the amount mentioned in section 3 of this bill, namely, the debt service charges as indicated in the break-down of $3,278,574.15 which I put on the record. Therefore the net loss of revenue to the province under the proposal is only $71,493.30. Then the minister out of the goodness of his heart gives them a lump sum of $300,000. If I followed him correctly, the minister has done that on the basis that the sinking fund payments were not quite adequate, and consequently the province should have a cushion or some fund to pay increased costs. Are those the two bases on which the $300,000 is figured? In any event it would appear to me to be a mere arbitrary figure, more in the nature of a hand-out than an earned grant.

Mr. ILSLEY: It puts the province in this position: they will have a surplus of $353,000 on the 1940 basis if they provide their normal debt retirement, which is very moderate, less than one per cent. That province, like other provinces will undoubtedly be confronted with slightly increased costs.

Mr. HANSON (York-Sunbury): Well, they ought to have cheaper money on refunding.

Mr. ILSLEY: They may have rapidly increasing costs. Hon. gentlemen should have heard these provinces, heard about their difficulties. We turned a deaf ear to about

seven-eights of it, I must say, but there was some of it that was valid. I do not want to deny any generosity on the part of the dominion government, but I do not think we were unduly generous in the case of New Brunswick, or any other province for that matter. The level of social services in New Brunswick is not high; anyone who reads the Duncan report will know that. They are simply put in the position, on the basis of the revenues and expenditures remaining the same as in 1940, of having a surplus of only $353,000 after meeting their normal debt retirement, which is something less than one per cent, so I do not think we are giving them any encouragement to extravagance. I admit that their liquor revenues will probably be greater in 1941 and 1942 than in 1940; their gasoline revenues are guaranteed, and with the expansion of activity they may work up revenue here and there. That is something we did not get much information about from the provinces. I admit we got much more information about possible increases in expenditure. Nevertheless I think the arrangement made with New Brunswick is a reasonable one and about in line with the arrangements made with the other provinces. Some provinces were inclined to think they were badly treated in comparison with others, and the judgment we were called upon to exercise was difficult, but I think we made an arrangement that was defensible.

Mr. HAZEN: In addition to the compensation provided by this measure and the compensation for gasoline tax and the subsidies, I understand the provinces will get their constitutional subsidies provided by the British North America Act?

Mr. ILSLEY: That is correct; they were not disturbed.

Mr. HAZEN: In addition, do they get the subsidies provided by Bill No. 17?

Mr. ILSLEY: No; Bill No. 17 does not provide any subsidy until after this agreement ends.

Mr. HANSON (York-Sunbury): To make sure that they will get it after this terminates?

Mr. ILSLEY: Yes.

Mr. BLACKMORE: I wish to say a word regarding the way in which the minister has dealt with the provinces. I wish to support him in his generous stand. I do not know what is the matter with the leader of the opposition. He seems to have a particular animosity against the provinces; he seems to think they are legitimate prey.

Mr. HANSON (York-Sunbury): I have not expressed any animosity toward the provinces, but I think the little province of New Brunswick is very extravagant. I am free to say that here, and I shall say it again many times. I do not make any reflection on any other province.

Mr. BLACKMORE: Judging from what I have heard regarding the history of New Brunswick and the position in which she has been placed by the fiscal policy of the dominion during past generations, I think she must have been exceedingly parsimonious not to be head over heels in debt.

Mr. HANSON (York-Sunbury): That was not the cause of her debt.

Mr. BLACKMORE: I believe that the attitude of the Ottawa officials in the main for past generations has been altogether too callous toward the provinces. I commend the minister for having shown a different attitude in these agreements. He can afford to be a good deal more generous. I resent the expression which the leader of the opposition has used in designating some of these allowances as "hand-outs." The organizations in this dominion that have been giving hand-outs since 1867 are the provinces; they have been "handing out" generously. Ottawa has not, I think, realized the extent to which they have been handing out, and it is time a little began to be handed back.

Mr. ESLING: Would the minister revert to paragraph (a) of section 3 under the British Columbia agreement, and give a word of explanation? What is the situation in British Columbia with reference to the 2 per cent mineral tax?

Mr. ILSLEY: Income and corporation taxes are levied in British Columbia under the income tax act. Certain taxes are also levied under taxation acts which are alternative to the payments required under the income tax act. These have been classified as output taxes, and are not included in the computation of the grant. Licence fees up to $1,000 are imposed on fisheries and canning companies, and with the exception of the fish buyer's licence fees, with a maximum of $25 per licence, these are included in the grant.

Mr. ESLING: Does that mean that the 2 per cent mineral tax will still apply in British Columbia?

Mr. ILSLEY: Yes, that is correct. It is an output tax, a tax on the natural resources, and the province by agreement expressly retains the right to impose such tax and, I presume, will continue to impose it.

Mr. GERSHAW: Speaking with respect to section 3, the minister said that any province under option (b), which was being paid by servicing its debt, in the event of failing to pay such debt would be regarded rather seriously by the dominion. That would not apply to any province under option (a), where they were being paid, irrespective of servicing of debt?

Mr. ILSLEY: I would not like to say that the dominion would not seriously take a grave view of the action of any province which repudiates its debt.

Mr. GERSHAW: Surely it would not assume any control.

Mr. ILSLEY: I am not prepared to make a statement about that. I do not like to say anything at all which would give any encouragement to a province to repudiate. I do not believe any province ought to do so, under present or any other conditions.

Mr. HANSON (York-Sunbury): It seems to me that this question of the Alberta position was raised last year, and I urged the minister on one occasion at least to use his influence with the government of Alberta to keep their contractual obligations.

Mr. ILSLEY: What influence would I have?

Mr. HANSON (York-Sunbury): I have heard it said that he who pays the piper calls the tune. At the moment I do not just remember in what connection the point was raised last year.

Mr. ILSLEY: I remember.

Mr. HANSON (York-Sunbury): I pressed the minister hard to take a different attitude, and he was loath to take it. To-day he has thrown out a serious warning, for the future I assume; but I should not like to think he is absolving them for the past.

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): Perhaps the dominion ought to do something to try to have Alberta meet its contractual obligations.

Mr. ILSLEY: My hon. friend wanted me to pay it to them, and I would not do that.

Mr. HANSON (York-Sunbury): Oh, I did not remember that.

Mr. BLACKMORE: I should like to ask the leader of the opposition what he would do.

Mr. HANSON (York-Sunbury): I will answer that question.

Mr. BLACKMORE: I will make it clear—

[Mr. Ilsley.]

Mr. HANSON (York-Sunbury): You asked me what I would do. I would pay my debts, to the last dollar. I would be just before I would be generous. That is what I would do.

Mr. BLACKMORE: Supposing the leader of the opposition were the Prime Minister of Canada; I should like to know where he would get the money to enable a province to pay its contractual obligations, when the province has not the wherewithal to pay.

Mr. HANSON (York-Sunbury): That is a question of fact. I would ask the minister to tell us what the surplus of Alberta was on last year's auditor's statement.

Mr. ILSLEY: For the year ended March 31, 1941, the Alberta surplus on current account was $4,875,000.

Mr. HANSON (York-Sunbury): That is a sizeable sum of money.

Mr. BLACKMORE: Can the minister say whether with that $4,000,000 odd Alberta paid off some of its outstanding debt? For example, what about savings certificates, $10,000,000 of which were against Alberta when the present administration assumed office?

Mr. ILSLEY: The amounts are these: public buildings, $257,000; highways, bridges, forests, wharves and docks, $1,146,000; other public works, $113,000. agricultural loans, $447,000; miscellaneous expenditures, $3,000; leaving an overall surplus of $2,909,000.

Mr. BLACKMORE: Has the minister any information as to what was done with that $2,000,000 odd?

Mr. ILSLEY: Some of it was used to redeem savings certificates, and other forms of debt.

Mr. HANSON (York-Sunbury): Has the minister any information—

Mr. BLACKMORE: I want to ask—

The ACTING CHAIRMAN (Mr. Ross, Calgary East): Order; the leader of the opposition has the floor.

Mr. HANSON (York-Sunbury): Does the auditor's statement which the minister has before him show how much Alberta has increased taxation in the last seven years?

Mr. ILSLEY: I have not that information.

Mr. HANSON (York-Sunbury): It is quite easily available, and I think it is very large.

Mr. BLACKMORE: Since the question of Alberta has been raised, I might tell the leader of the opposition I am ready to take him on at any time, on the question of Alberta.

He seems to think he knows a lot about it, but there are several things he does not know yet. In the first place—

Mr. BOUCHER: Shall I hold the coats and the boxing gloves?

Mr. BLACKMORE: Yes, all the trimmings. In the first place, he will find, if he examines the expenditures with respect to public works, that they were expenditures which were utterly unavoidable. The remainder of the money, as the minister has indicated, was largely used in the reduction of savings certificates, which constituted a $10,000,000 floating debt against the province, and was destroying the credit of the province. The question arises as to what an administration should attend to first, whether it should leave a floating debt like that, with thousands of poor people holding certificates, or whether it should pay interest. I think the leader of the opposition has not indicated a very statesmanlike attitude to the problem of provincial finances and provincial problems in this dominion. I do not care to say any more now.

Mr. HANSON (York-Sunbury): I am rebuked by the hon. member for Lethbridge; but I think I hold the orthodox view, one held by most people in Canada, with respect to the repudiation of contractual obligations by the present administration in Alberta—and I am not receding for one minute from that position.

Mr. BLACKMORE: I wonder whether the leader of the opposition remembers that after the last war the British government had to repudiate its debt; and if he remembers, what would he say about that?

Mr. HANSON (York-Sunbury): I had not heard that before.

Mr. BLACKMORE: There was an impossible situation there.

Mr. ILSLEY: I think they made an agreement.

Mr. BLACKMORE: Perfectly all right, but if we know the whole story there is not so much of the offensive about it.

The ACTING CHAIRMAN (Mr. Ross, Calgary East): Hon. members should confine their discussion to section 4 of the bill.

Mr. McLARTY: I move that the figure "$324,122.10" in line 34 of section 4 be amended to read "$325,769.31".

Amendment agreed to.

Section 4 as amended agreed to.

On section 5—Compensation for loss of revenue re tax on sale of gasoline.

Mr. MacNICOL: This section reads:

> The agreement may also provide, in accordance with and subject to such terms and conditions as may be set out therein, that the dominion shall pay to the province the amount by which the net receipts from the tax imposed by the province on the sale of gasoline are less in each case than the following amounts.

Then amounts are set out opposite the names of the nine provinces. The section continues:

> . . . being an amount in each case calculated as equivalent to the net receipts of the province from the tax imposed by the province on the sale of gasoline during the fiscal year of the province ending nearest to December 31, 1940.

I have been wondering whether, with the amounts set out in this section being fixed, the federal government does not stand to lose. What is happening in connection with the gasoline shortage? Five business men called to see me over the weekend. They represented two different classes of business, the first being small cleaners and pressers. There are perhaps thousands of these throughout Canada, there being hundreds in Toronto alone. Their gasoline ration has been cut down from approximately twenty-five gallons a week, which was altogether too little, to approximately eight gallons a week. These Toronto men told me that this will mean they will have to close shop. The government will not only lose revenue on what they would have made if these men had continued in business, but will have to make up to Ontario and the other provinces a considerable amount in connection with the gasoline tax.

The next class of business were those small business men who travel round the country in their own cars, taking with them the goods they sell for immediate delivery. These men have also had their gasoline ration severely cut, and they told me that they will be put out of business. I was just wondering whether the government is not going to lose a lot of revenue. As the leader of the opposition said earlier in the day, the ministers located here in Ottawa are not up against the cushion like the average member of parliament when he returns home. I am besieged by business people, and if I am told the right story, the government is not only going to lose a lot of revenue through these men being put out of business, but going to have to pay out the amounts set out in this bill.

Mr. ILSLEY: We shall have to make good to a considerable extent this year, and I do not know what the situation will be in future years. The liability under this undertaking for 1941 amounted to only about $50,000.

Mr. MacNICOL: I am very much concerned over the situation. I think regulations have been issued that are not in conformity with the facts in reference to the gasoline situation. The amounts the provinces are to receive are fixed, but the Dominion of Canada has no surety as to what it is going to receive in connection with the gasoline tax.

Mr. REID: Is this gasoline tax confined to gasoline, or will it cover gasoline and fuel oil?

Mr. ILSLEY: In some provinces certain types of fuel oil are treated as gasoline and are subject to the same taxation. That would be covered by the guarantee.

Mr. McLARTY: I move that the figure $2,104,685.81 in line 46 of section 5 be amended to read "$2,101,072.01".

Amendment agreed to.

Section as amended agreed to.

On section 6—Charge upon consolidated revenue fund.

Mr. HANSON (York-Sunbury): Does this mean that hereafter these payments are to be statutory and will not be reviewed by parliament?

Mr. ILSLEY: That is right. They will not need to be voted.

Mr. HANSON (York-Sunbury): They will appear as statutory votes?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): What opportunity will there be to consider the question of deficits on gasoline taxation? I do not think these should be made statutory charges altogether. I would not object to the items in sections 3 and 4 being made statutory because they are fixed, but the amounts to be paid under section 5 ought to be voted by parliament after discussion. This is simply giving a blank cheque to the government to pay what it wants to pay without parliament or the House of Commons having anything to say about it.

Mr. ILSLEY: We can pay only in accordance with the agreement. The payments would be reviewable by the auditor general, and there would be that protection.

Mr. HANSON (York-Sunbury): Why not parliament?

Mr. ILSLEY: We are meeting the province of Ontario here.

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

[Mr. Ilsley.]

Mr. ILSLEY: We intended to have annual votes for the whole thing, not only this but the rest of it, but the point was raised very strongly by Ontario. The hon. gentleman may remember that it was back about the end of February or the early part of March and a tremendous demand was made that this be made statutory. They said that they could not rely and should not be asked to rely on an undertaking which would be subject to a vote of parliament. They contended that there might be a term of several years during which this agreement would be operative, and they might be at the mercy of a hostile vote in the House of Commons when their agreement actually entitled them to the payment of so much money.

Mr. HANSON (York-Sunbury): That would be with regard to the principle involved in the payment, but surely the quantum of the amount should be open to discussion.

Mr. ILSLEY: I do not know.

Mr. HANSON (York-Sunbury): What would happen if there was a change in the tax imposed by the province?

Mr. ILSLEY: They cannot do that.

Mr. HANSON (York-Sunbury): They might do that.

Mr. ILSLEY: It is provided against.

Mr. HANSON (York-Sunbury): There ought to be some provision. In New Brunswick we have the highest tax rate on gasoline in the world, 10 cents a gallon.

An hon. MEMBER: Not in the world.

Mr. HANSON (York-Sunbury): Residents of Nova Scotia and Prince Edward Island also pay 10 cents a gallon on gasoline. It is a very heavy tax, too high in my judgment especially when one realizes that the crude oil comes to the refinery in normal times at a cost of less than 10 cents, landed in Halifax, and we are paying 36½ cents a gallon for Esso.

Mr. STIRLING: I cannot understand how the amount of $3,763,625.95 can have an "S" against it in the estimates if that sum be not the amount that will be paid. As I understand it, it will be looked upon as a statutory item in the estimates of next year, but how can that be if that be not the correct sum to be paid?

Mr. ILSLEY: The $3,763,000 will not necessarily—

Mr. STIRLING: I understood the minister to say that it would appear in the estimates as a statutory figure.

Mr. ILSLEY: The amount that is payable, the net total.

Mr. STIRLING: The adjusted figure.

Mr. ILSLEY: Yes.

Section 6 agreed to.

On section 7—Coming into force.

Mr. HANSON (York-Sunbury): Why was March 15 fixed?

Mr. ILSLEY: That was just prior to the conclusion of the first agreement. The first agreement was signed with British Columbia on March 18.

Section agreed to.

On the preamble:

Mr. HANSON (York-Sunbury): The estimates are made up in the fall, depending of course upon when parliament meets. How would it be possible to have this provision made in the main estimates? The amount of the deposit may have to be dealt with by special estimate.

Mr. ILSLEY: I have not given any thought to it. Perhaps we could vote it in two parts.

Mr. MacNICOL: A short time ago when we were on section 4 the minister said with reference to the amount granted to Saskatchewan, with which I am in accord, something that indicated that Saskatchewan had been treated generously. I asked why was not something given to Alberta, because I understood it was in perhaps a more unfavourable position, and the minister said that it had an operating surplus on last year's operations —that is current operations, I presume—of $4,000,000 more or less.

Mr. ILSLEY: Yes.

Mr. MacNICOL: There was no reference to debt interest. I was wondering whether, if Alberta were treated in the same way as the other provinces, particularly Saskatchewan, would it be in the unfavourable position it is in? Is the parliament discriminating against Alberta for repudiating or threatening to repudiate its debt interest? Would it be in the position of having to repudiate its debt interest if it were treated the same as the other provinces?

Mr. ILSLEY: Alberta cut its interest rate in two on June 15, 1936. The question of the hon. gentleman perhaps is this: Was Alberta treated fairly before that date? Was there some discrimination that made it do that. That is a little far back for me, but I must say that I do not think so. I am strongly of the impression that it was not the fault of the dominion government at all in any way, shape or form.

Mr. HANSON (York-Sunbury): I think the minister will find that Mr. Bennett made a very strong argument once to the opposite effect.

Mr. GERSHAW: Alberta has needed social services very badly because of the general poverty which has prevailed there for some time. The minister has read out the expenditure of the province. Would he give the committee the sources of Alberta's revenue? Was it affected by taxation? Were some of the payments from the wheat pools and some payments on railway debt or was it all ordinary taxation?

The ACTING CHAIRMAN (Mr. Ross, Calgary East): I do not think these questions are relevant at this stage.

Mr. ILSLEY: I am not familiar with the rules, Mr. Chairman; I do not know what can be taken up on the preamble.

Mr. HANSON (York-Sunbury): By common consent, it can be done.

Mr. ILSLEY: Alberta's revenue for the base year ended March 31, 1941, was $20,875,000, made up as follows:

Corporation taxes	$3,017,000
Income tax on persons	1,041,000
Gasoline tax	3,222,000
Succession duties	417,000
Real property taxes	1,171,000
Amusement taxes	208,000
Motor vehicle licences	2,572,000
Other licences	1,254,000
Public domain	2,264,000
Liquor control	3,158,000
School lands, interest	477,000
Other current revenues	286,000
Ordinary subsidies	1,788,000

These items make up the total of $20,875,000.

Preamble agreed to.

Bill reported, read the third time and passed.

MARITIME PROVINCES

AUTHORIZATION FOR PAYMENT OF ADDITIONAL SUBSIDIES

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of Bill No. 17, to provide for the payment of additional subsidies to the maritime provinces.

He said: Mr. Speaker, I have not prepared any statement with a view to making it on the second reading of this bill. The whole story is found in the preamble to the bill. Briefly I may say that these grants have been voted year by year by parliament, pursuant to the findings of two commissions, the Duncan commission and the White commission.

The maritime provinces considered that since they are forgoing these grants for the period of these agreements, they should have some statutory guarantee that the grants would be resumed at the termination of the agreements. It was considered that it was desirable to do this because these payments are fixed and settled by the findings of commissions, judicial bodies which went into all relevant matters at great length, and there is no reason that I can think of why the payments should not be guaranteed to these provinces by statute.

Mr. CRUICKSHANK: This bill is not particularly clear to me, coming from the far west. It is intended, as I understand, to pay subsidies to the maritime provinces. Am I to understand that, like Alberta, New Brunswick is asking for some special allowance of $25 a month in lieu of the subsidy it got for lobsters?

Mr. HANSON (York-Sunbury): Perish the thought.

Mr. ILSLEY: No such request has been made.

Hon. R. B. HANSON (Leader of the Opposition): I have no objection to this bill. The grants were made, as the minister stated, after royal commissions were issued and judicial reports were made, and the grants are now looked upon by the maritime provinces as part and parcel of their provincial revenues. I can imagine what would happen if they were to be discontinued at any time. While they are discontinued in name now, they are really not being discontinued in fact. But when the agreement provided in Bill No. 16 ends, this will make sure that they will be resumed. It is really an insurance policy to the maritime provinces.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): That is all there is to it. As a matter of fact, the title of the bill as set out at the front and on top of the bill is rather misleading; it should be, an act to preserve the payment of additional subsidies to the maritime provinces after a certain point of time.

Mr. ILSLEY: They are not technically subsidies now.

Mr. HANSON (York-Sunbury): That is true; they are not. They are special grants. It is not an act to provide something now. It is an act to preserve something which is already in existence. That is the only suggestion I have to make.

Mr. KARL K. HOMUTH (Waterloo South): I am not opposing the bill; but from time immemorial there has been a feeling both in the maritime provinces and in the western provinces, through all of which I have travelled annually for perhaps the last twenty-five or thirty years, that the people of the provinces of Ontario and Quebec are more or less parasites, that we take from those various provinces—

An hon. MEMBER: In high tariffs.

Mr. HOMUTH: The hon. member says, "in high tariffs." I will argue that with him when the budget comes up. I believe—in fact I know—that he is wrong.

Mr. BLACKMORE: The hon. member is surely mistaken.

Mr. HOMUTH: The leader of—I do not know what they call the group—

Mr. BLACKMORE: Social Credit group.

Mr. HOMUTH: No—New Democracy group; he does not even know the name of his own group. He also has some diffidence, I notice, about admitting the facts. But there has never been in the history of the House of Commons a time when members from Quebec or Ontario have opposed anything for the benefit of the maritimes or the western provinces. We have supported those proposals, because we—that is, the members of the opposition and at least a few members of the Liberal party—believe in national unity. It is true that we do not have national unity to-day. The blame for that condition may be laid on the government; that is a matter which will come up in debate later on. But I often wonder whether the minister has given careful attention to some of the freight rates which have a great deal to do with the trade of the maritimes. We grant certain subsidies to the maritime provinces. I realize that, for instance, their textile industries have a certain barrier to overcome in order to compete with the textile industries in Ontario and Quebec, in sales to the west. It has often seemed to me that our subsidies to the maritimes are not adequate. We may be dealing with this thing in a rather half-hearted manner. We make deals with the provinces; we tell a particular province that we will do this and we will do that. Well, we, the people of Canada, own a railway: can we not work out some system of readjustment of freight rates which will give the great industries of the maritime provinces an opportunity of competing with the industries of Ontario and Quebec? Speaking as one who, one may say, represents industry in Ontario, I am not sure

that we should not start now, by means of subsidies, freight rates, or some other method, to develop industries in western Canada; because, if there is anything which will bring prosperity to our farming community, it is the building up, in agricultural areas, of towns and cities. If you want proof of that fact, go through western Ontario. It has always known prosperity. Even in the days of deepest depression the farmers had at least a semblance of prosperity because our industries were so diversified that considerable numbers were working. The farmers came into our towns, sold their products, and so provided themselves with spending money from week to week until their big crop was sold and their cattle marketed.

I do not object to this legislation; indeed I agree with it; but I suggest that all governments, not merely this one, have forgotten that to build up unity in this country we must industrialize it, provide local markets, and spread the process from one end of the country to the other. We have not done this. So, while not opposing this bill, I would urge the government to give a great deal of consideration to subsidizing those provinces which have not the advantage of the industrial development which exists in Ontario and Quebec.

Mr. CRUICKSHANK: I should like to be clear upon the purpose of section 2. As I understand it, at the termination of the new agreements, the existing or old agreements with the maritime provinces will be carried on. Am I right?

Mr. ILSLEY: Yes.

Mr. SPEAKER: May I point out to the hon. member that his question, having regard to a particular section, should be asked when the house is in committee.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Ross (Calgary East) in the chair.

On section 1—Short title:

Mr. STIRLING: At the very time in 1934 when the White commission was appointed, the dominion government, as I recollect, realized that the subsidy being paid to British Columbia was not commensurate with the subsidies being paid to other provinces, and it was then increased and has been passed by parliament each year on the increased figure. I think I am right in saying that. Would the minister explain the reasons for treating the maritime provinces differently in this respect from British Columbia?

Mr. ILSLEY: The British Columbia figure was never settled. It was an interim payment which was not judicially determined. It was a tentative payment and had not reached the stage of settlement.

Mr. HANSON (York-Sunbury): It was a matter of government policy.

Mr. STIRLING: It was recognized and paid.

Mr. ILSLEY: For a number of years. There is a clause in the British Columbia agreement with respect to this matter. Let me read it:

> Neither the execution of this agreement nor anything herein contained shall affect or prejudice any right or claim, moral or otherwise, which the province may have to the restoration and continuation, at the termination of this agreement, of the $750,000 special grant discontinued by the dominion in the year 1941.

A similar clause is found in the Saskatchewan agreement and in the Manitoba agreement with regard to their special grants. The committee will realize that there were six of these special grants, three for the maritime provinces, one for British Columbia, one for Saskatchewan and one for Manitoba. They were of differing degrees of finality. There was no doubt about those with respect to the maritime provinces having been finally settled.

Mr. STIRLING: Based on the findings of a commission?

Mr. ILSLEY: Yes, and finally settled and determined. British Columbia was in an intermediate position. It was not as fleeting and temporary as in the case of Manitoba and Saskatchewan; nevertheless it was not judicially determined. Of course, there is this about the British Columbia grant, that the payment to British Columbia is very large. It is some twelve or thirteen million dollars because of the very high taxes—the height of the corporation taxes.

Mr. STIRLING: Under the bill just completed.

Mr. ILSLEY: Under the principles laid down in my budget speech, it would have been perfectly impossible to justify the payment of any further sum by way of fiscal needs subsidy.

Mr. HANSON (York-Sunbury): They do not need it.

Mr. ILSLEY: There was no pretence that they did. I would not go to the length of saying that they would not have accepted it; nevertheless no contention could be put forward that British Columbia needed more than that twelve or thirteen million dollars.

Mr. CRUICKSHANK: It may not be clear to me, and I am sorry I could not hear all the minister has been saying. As I understand him, however, this is merely carrying forward, after the termination of the new agreements, the agreements which were in effect with the maritime provinces.

Mr. ILSLEY: That is right.

Mr. CRUICKSHANK: Is it the intention of the present government to carry on, at the termination of the new bill, the agreement with respect to the subsidy of $750,000 to British Columbia? The minister has looked after British Columbia very well so far, and I will also endeavour in a small way, with the assistance of the member for Yale (Mr. Stirling), to look after British Columbia. I do not want to repeat myself, but I understand that we are merely carrying on the old agreements. As I understand the minister—and, as I say, I have not heard him very well—this $750,000 subsidy is left to the will of the government of the day. I cannot agree with the minister, as I understood his remarks, with regard to extra grants in the case of British Columbia, because he did not state that if any extra moneys were allotted to that province during the last few years of depression, it had been allotted purely and simply by way of grants to British Columbia to care for exceptional circumstances which we had in that province, to look after some unfortunate people from the prairie provinces. Does the minister expect British Columbia to concur in the continuation of the subsidy to the maritime provinces and at the same time to concur in the subsidy granted by the last government under Viscount Bennett, to the province of British Columbia, amounting to $750,000? Is it the intention of the present government, at the termination of the new agreement, to continue the special grant of $750,000 to British Columbia?

Mr. ILSLEY: I should not like to say that we have any intention one way or the other, but the rights of the province, if any, to that subsidy are expressly preserved by the section I have read. This agreement is not to affect or prejudice any right or claim, moral or otherwise, which the province may have to the restoration and continuation, at the termination of this agreement, of the $750,000 special grant discontinued by the dominion in the year 1941. It is not, in my judgment, a right. It is a claim rather than a right, never finally settled. I understand the province always contended that they were entitled to much more than that.

Mr. HOMUTH: It is not an obligation?

[Mr. Ilsley.]

Mr. ILSLEY: It is not an obligation at all, but it was voted for a number of years. If there is any obligation or if there is any right there, it is expressly preserved by this clause of the agreement. I do not think the province would want us to pin that down definitely to $750,000 as we are doing in the case of the maritime provinces, putting it in statutory form. They would not want that themselves.

Mr. CRUICKSHANK: I was not suggesting that the minister should pin it down. We realize that we have been penalized for a great many years, and I am glad that the member for Waterloo South (Mr. Homuth) has come to the assistance of the Minister of Finance (Mr. Ilsley), but I cannot see why there should be a specific bill stipulating that it should be so much for the maritime provinces, while it is decided that it may or may not be the case for British Columbia. All I want the minister to say is this. In so far as the policy of the present government is concerned, will the subsidy be continued or possibly increased—and I think it should be increased? If so, then will there be a bill to that effect? I do not know much about monetary reform—I am not from the province of Alberta—but I cannot see any consistency in stating that there should be a certain subsidy for the maritime provinces, irrespective of the fact that the leader of the opposition (Mr. Hanson) comes from one of those provinces, and that they should have a guarantee to that effect, while British Columbia is left problematical. I cannot see any reason for a special bill providing that they should get a guaranteed amount while ours is left in that uncertain state. Surely the minister can say that, as far as the government of the day is concerned, the amount will not be reduced below $750,000.

Mr. ILSLEY: No, I cannot.

Mr. CRUICKSHANK: I would like a little clarification. After all, British Columbia is one of the provinces of this dominion, a most important part.

Mr. ILSLEY: I cannot say anything more than I have said. In the case of the maritime provinces those amounts were settled by two royal commissions, and as far as they are concerned it is the end. There has been no such settlement of the British Columbia amount. The British Columbia amount has been carried on in a tentative way awaiting settlement year after year, and any rights that province has are preserved, but it is not in any such settled state that it can be embodied in a statute.

The hon. gentleman asks me for a statement of intention; I cannot give any such statement. The matter will have to be taken up at the end of the agreement where it is left. Whether it is resumed or not is a matter for consideration at that time. But no rights are lost by this.

Mr. CRUICKSHANK: I can take it that it will have the same consideration that the maritimes have had, even, if necessary, a royal commission?

Mr. ILSLEY: I cannot give any such undertaking.

Mr. CRUICKSHANK: But I want the minister's opinion.

Mr. ILSLEY: I should not like to make any commitment in that regard.

Mr. GILLIS: Am I right in my interpretation of this: Prior to the enactment of the dominion-provincial taxation agreement the amounts set out in the schedule were paid to the provinces of Prince Edward Island, New Brunswick and Nova Scotia?

Mr. ILSLEY: Yes.

Mr. GILLIS: What is taking place now is that the amounts set out here are discontinued; that the provisions of the dominion-provincial taxing agreements displace that, and that statutory effect is now being given to the undertaking that the arrangement as carried on previously will be picked up on the expiration of the dominion-provincial taxing agreement?

Mr. ILSLEY: That is correct.

Section agreed to.

On section 2—Additional annual subsidies.

Mr. POTTIER: The minister said this afternoon that the agreement could be terminated by a province on thirty days' notice before March 31 each year. Is there a similar provision that the dominion can give notice and cancel the agreement?

Mr. ILSLEY: No; there is not.

Mr. REID: The section says "the following additional annual subsidies". What would be the total subsidies as outlined in the present bill?

Mr. ILSLEY: These are in addition to what we call the constitutional subsidies provided in the British North America Act and amendments. Those subsidies were instituted at the time of confederation and, I think, have been modified from time to time. They are fundamental subsidies; they are paid not only by virtue of a statute of this parliament but by virtue of a statute of the imperial parliament; they are British North America Act subsidies. These are additional to those.

Mr. REID: The reason why British Columbia is not mentioned here is that British Columbia has not come to a definite settlement as to the total amount. They were receiving $750,000, but they were not altogether satisfied. No definite agreement has been arrived at?

Mr. ILSLEY: That is right.

Mr. REID: If they had arrived at a definite agreement, it would be included in this bill?

Mr. ILSLEY: It might or might not. We may not have agreed to that on account of the annual payment to British Columbia being so large. It is some $12,000,000 or $13,000,000, due to the fact that so much of that province's taxation was income tax and corporation tax. The size of the payment to British Columbia I think I may fairly say has almost been a stumbling block to concluding agreements with the other provinces. I should not like to say we would have made the same kind of offer to include those amounts if they were settled. I do not think myself that there would have been any difficulty about enacting that they would be picked up at the end of the agreement if they had been settled.

Mr. REID: I take it then that British Columbia stands to lose because of the fact that after the termination of this agreement the income tax payment will cease a year after the cessation of hostilities; the subsidy of $750,000 is also gone, and the province will have to come then to the federal house and begin all over again arguing for a subsidy? It is left out in the cold.

Mr. ILSLEY: Many things may happen before that. I do not know what will happen at that time. This was all discussed at the conference of the provincial premiers and treasurers and myself, and it was finally decided that this was the best way to handle the matter of the subsidies to British Columbia, Saskatchewan and Alberta, because these were never settled as being the correct amounts. So, whatever rights British Columbia had before, they have again. I do not think they have any rights.

Mr. REID: The minister has repeated the statement that they have no rights. I am wondering whether it was made clear at the conference with British Columbia that they were letting go their subsidy of $750,000, and that on the cessation of hostilities they would have to come back and deal with the federal government again.

Mr. ILSLEY: They were letting nothing go any more than they do at the end of every calendar year. They have no agreement, no award of any commission; they were simply dependent upon the dominion parliament voting that sum year by year. What did they let go?

Mr. REID: That is very true, but no government would just cut them off. They are now cut off.

Mr. CRUICKSHANK: This is very important to us in British Columbia. The hon. member for New Westminster has brought it out in specific terms. I am not grudging the maritimes their subsidy, but they get it automatically under the act. As I understand, however, at the end of this agreement the question comes before parliament whether or not British Columbia continues to receive the $750,000. It is not a question whether the $750,000 is or is not ample; the question whether or not the province gets one dollar must come before this parliament. When the minister asks us to approve a bill which definitely states that at the termination of this agreement the maritimes will receive the amount specified in the bill, I think the minister should state that as far as the present government is concerned they will be agreeable to continuing the existing subsidy to British Columbia. As a member representing British Columbia I should like a definite statement as to whether the provincial authorities thoroughly understood in agreeing to this new bill, that there was only a possibility of the subsidy of $750,000, which might be classed as a special subsidy, being restored.

There are two things the minister should state, and they are of vital importance to British Columbia. Apparently we do not come under any royal commission or any act of parliament, as do the maritime provinces. I suggest, however, that at least morally it is recognized not only by this government but by the preceding one, that we are entitled to something. It would appear to me that under this bill we from British Columbia would have to appear before the parliament of Canada, at the expiration of the present new bill, asking parliament to grant us a subsidy of $750,000, as a temporary amount pending a final solution. All this would happen while the maritime provinces by an act of parliament receive a specified amount. The minster should state whether this government is in favour of the subsidy of $750,000 being continued, in the same manner as is the maritime subsidy. I should like to know, too, if the provincial treasurer of British Columbia agreed to the bill as it now reads, namely that it is liable to continuation subject to the approval of parliament.

Mr. ILSLEY: As I said before, I do not wish to make any agreement with respect to restoration, because action may depend upon a great many factors. Just consider what the situation is likely to be. These agreements may last three or four or five years. At the end of that time the question will arise as to whether the province will resume the collection of income and corporation taxes, or whether it will not. There will, in all probability, be a completely new arrangement with the provinces. Then, that may not happen; it may be that the agreement will just come to an end, and that there will be no arrangement. The province will simply pick up where it left off. A person cannot foresee what the situation will be. One cannot foresee what concession or new arrangement will be made by the provinces, or between the provinces and the dominion. It may be that at that time this grant will be a very unimportant thing, and that something else will take its place. Possibly something more advantageous will take its place. It may be that the amount will be too small, that it will need to be larger. It may be that no subsidy at all will be required, or that a lesser amount may be required. It is not a settled thing, and I cannot make any commitment or give any undertaking in regard to what the policy of the government in power in Canada at that time will be, or what our policy will be if we are then in office. There are too many factors in the situation which would have some bearing on the matter, and I do not think we should be asked to do anything more than it was agreed at the conference we would do, namely insert a clause protecting such rights as there may be, and put that clause in the agreement, so that it cannot be said at the termination of this agreement that a certain thing went by the board, and that something was forfeited at the time the agreement was entered into. We have protected the provinces to that extent. Beyond that we have not gone.

Mr. CRUICKSHANK: The minister has said that what happens depends a great deal on circumstances, which may be different. In that connection I cannot see how it is possible now to state exactly what subsidies may or should be granted to the maritime provinces, when it is not possible to do the same for British Columbia. That does not seem reasonable to me. If we can say definitely now that the sum for Nova Scotia will be $1,300,000; for New Brunswick $900,000, and for Prince Edward Island, $275,000, and yet as the government of the day we cannot say that British Columbia will or will not require a minimum of $750,000, that does not seem to be a reasonable situation. I want to say

now, as I have said before, that I have no quarrel with the maritime subsidies. As a matter of fact, they may not be ample. But if we can say definitely in parliament that they must have a minimum of a certain amount, then why is it not possible to say, subject to revision, that there shall be at least a minimum of $750,000 for British Columbia?

Possibly the minister did not understand my second question; I may not have made it clear to him. Did the provincial treasurer for British Columbia, knowing that a specified sum was to be allocated to the maritime provinces, agree that that sum was to be given to them, by act of parliament, and that they would automatically have that amount? Did the provincial treasurer of British Columbia know that he might possibly secure for his province—I repeat the words "might possibly" —the sum of $750,000, subject to the right, will or permission of parliament?

Mr. ILSLEY: Oh, yes, the arrangement was thoroughly explained, understood and agreed to at the conference. But the hon. member must realize that we are not agreeing that the maritime provinces are to get at least a certain amount. We are agreeing that they will get a certain amount. British Columbia is not prepared to do that. From their point of view it may be much better for them to be in an undetermined position.

At the conference the provincial treasurers and premiers were expressly informed that it was my intention, or the government's intention, to introduce a bill fixing the maritime provinces grants, to take effect after the termination of the agreement. The other three subsidies were discussed—one for Manitoba, one for Saskatchewan and one for British Columbia. There was considerable argument as to what should be done to give some protection to these provinces. Finally I believe it was I who suggested—it may have been someone else—that the clause which appears in the agreement should be put therein. I drafted it there and read it to the premiers and provincial treasurers, and no exception was taken to it. I do not know how formal it was, but that certainly was the settlement of the matter which was made at that conference in the presence of everybody, with a complete disclosure of all the facts. The agreement is signed by British Columbia on that basis. It was signed on March 18, and the conference to which I referred was about December 18. So three months later, after there was the fullest opportunity to think it over, as to what should be done, the government of British Columbia signed the agreement. Certainly I do not think they have forfeited anything, and they do not think they have. I do not believe they would be in any better position if we introduced a bill like this to apply to that province. Of course, if we introduced a bill saying that they would get a minimum of $750,000, they would have everything to gain and nothing to lose. They would have that much anyway, and whatever more we did for them. But that is not the maritime provinces bill. This is a settlement of the matter. This is what they get, and all they get, by way of subsidy.

Mr. CRUICKSHANK: I understood the minister to say that that is the minimum; but that is not necessarily all they get?

Mr. ILSLEY: That is all they get on account of the special claims which were dealt with by the Duncan and White commissions.

Mr. CRUICKSHANK: British Columbia has never been overpaid, and we are sent here to see that they get their fair share.

Mr. MacINNIS: Representing a constituency in Vancouver, I thought it would be better to see if I understood what the situation really was before I said anything. The agreement made must be fairly satisfactory to British Columbia because, as far as I know, no representations have been made to members here. I am speaking only for myself, but from conversation with other members I have not heard of any representations having been made. Premier John Hart is an astute man, and I do not think he would let very much slip. My understanding is that the subsidy which is paid to British Columbia was never settled, but that the province has been accepting $750,000, thinking it was entitled to more.

Mr. STIRLING: That is additional to what it had been before.

Mr. MacINNIS: In the agreement referred to in Bill No. 16 there is an undertaking that the case of British Columbia will not be prejudiced in any way when the provisions of that bill expire after the war. The province will be still in the same position as it was before, and will be able to claim the $750,000 annually and press for a greater subsidy if it can get it.

The bill now before us is a little different. The maritime provinces receive their subsidies as a result of the findings of two royal commissions, and the bill before us makes these amounts as definite and static as anything can be between provinces and the dominion. They are no worse or no better off than they were before. As far as I can see, no further assurance can be given in connection with this bill, since the representatives of British Columbia did not insist on a bill. I do not see how they could have insisted on a bill

unless the $750,000 had been agreed upon as a definite amount.

Mr. EDWARDS: Were the recommendations of the commission implemented before? Have they been given effect to at all?

Mr. ILSLEY: These amounts have been paid to the maritime provinces since early in the thirties.

Mr. EDWARDS: By agreement?

Mr. ILSLEY: Year by year.

Mr. CRUICKSHANK: I should like to say one word by way of compliment to the Minister of Finance. I am sure British Columbia will be delighted to know that the hon. member for Vancouver East (Mr. MacInnis) is endorsing the action of this government, while the hon. member for Fraser Valley is doing otherwise.

Mr. MacINNIS: I do not want the hon. member for Fraser Valley (Mr. Cruickshank) to put words in my mouth. I expressed myself quite clearly as to what was done. I am sorry to note that the hon. member for Fraser Valley is out of line, not only with this government but also with the government of British Columbia.

Section agreed to.

Bill reported, read the third time and passed.

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

Tuesday, May 26, 1942

The house met at three o'clock.

BANKING AND COMMERCE

First report of standing committee on banking and commerce.—Mr. Moore.

NAVAL SERVICES

REVISED RATES OF PAY AND ALLOWANCES

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Mr. Speaker, I should like to lay on the table of the house information in reply to certain questions asked during the discussion of expenditures of my department arising out of the war appropriation bill. This information was tabled previously, but I table it now again, in more up to date form, and ask that it be printed in *Hansard*.

Mr. STIRLING: Does the information now being tabled contain the rates of pay?

Mr. MACDONALD (Kingston City): Yes, the information shows the revised rates of pay. With the consent of the house I should ask that it be printed in *Hansard*. The table follows:

RATES OF PAY AND ALLOWANCES—ROYAL CANADIAN NAVAL SERVICE

Rank	Rate per Diem (Basic Pay)	Allowances per Diem			Single per Diem		Married—per Diem					
							In Quarters			Out of Quarters		
		Lodging and Compensation	Maximum Dependents	Maximum Children	In Quarters	Out of Quarters	No Children	One Child	Two Children	No Children	One Child	Two Children
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Commodore 1st Class	17 00	3 10	2 00	0 40	17 00	20 10	19 00	19 40	19 80	22 10	22 50	20 09
Captain	15 00	2 10	2 00	0 40	15 00	17 10	17 00	17 40	17 80	19 10	19 50	19 70
Commander	10 00	1 85	2 00	0 40	10 00	11 85	12 00	12 40	12 80	13 85	14 25	14 80
Lieutenant-Commander	7 50	1 70	1 80	0 40	7 50	9 20	9 30	9 70	10 10	11 00	11 40	11 10
Lieutenant	6 00	1 70	1 60	0 40	6 00	7 70	7 60	8 00	8 40	9 30	9 70	10 82
Sub-Lieutenant	5 00	1 70	1 45	0 40	5 00	6 70	6 45	6 85	7 25	8 15	8 55	9 65
Prob. Sub-Lieutenant	4 25	1 70	1 45	0 40	4 25	5 95	5 70	6 10	6 50	7 40	7 80	8 95
Commissioned Officers from Warrant Rank	5 75	1 70	1 45	0 40	5 75	7 45	7 20	7 60	8 00	8 90	9 30	9 20
Mate	4 75	1 70	1 45	0 40	4 75	6 45	6 20	6 60	7 00	7 90	8 30	8 70
Warrant Officers	4 75	1 70	1 30	0 40	4 75	6 45	6 05	6 45	6 85	7 75	8 15	8 55
Midshipmen	2 00	1 70	1 45	0 40	2 00	3 70	3 45	3 85	4 25	5 15	5 55	5 95
Cadets	0 25	1 70	.....	.....	0 25	1 95	.....	.....	.....	.....	.....	.....
Chief Petty Officer	2 80	1 25	1 15	0 40	2 80	4 05	3 95	4 35	4 75	5 20	5 60	6 00
Petty Officer	2 40	1 25	1 15	0 40	2 40	3 65	3 55	3 95	4 35	4 80	5 20	5 60
Leading Seaman	2 10	1 25	1 15	0 40	2 10	3 35	3 25	3 65	4 05	4 50	4 90	5 30
Able Seaman	1 85	1 25	1 15	0 40	1 85	3 10	3 00	3 40	3 80	4 25	4 65	5 05
Ordinary Seaman	1 25	1 25	1 15	0 40	1 25	2 50	2 40	2 80	3 20	3 65	4 05	4 45
Boy	0 50	1 25	.....	.....	0 50	1 75	.....	.....	.....	.....	.....	.....

Children's Allowance:—In addition to above, allowance of 30c. per diem for 3rd child and 20c. per diem for 4th child is payable to ratings only.

Officers' Allowances:—Allowances to Officers specialized in certain branches of the service and Command and Staff pay are authorized in addition to basic pay. Rates vary according to the rank of the Officer and degree of responsibility and qualifications.

Ratings' Allowances.—Non-substantive pay and miscellaneous allowances for special duty are authorized for certain ratings. Rates vary from 5c. per diem to 50c. per diem according to rating, qualification and experience.

Skilled tradesmen are entered in their own branch on rates of pay which exceed the Seaman's rate by from 10c. to $1.00 per diem.

BUSINESS OF THE HOUSE

MOBILIZATION ACT AMENDMENT BILL—PROGRESS OF SESSIONAL BUSINESS

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to ask the Prime Minister (Mr. Mackenzie King) when he proposes to move the second reading of Bill No. 80, to amend the National Resources Mobilization Act.

Right Hon. W. L. MACKENZIE KING (Prime Minister): In reply to my hon. friend I would say that that depends upon the progress which the house makes with the legislation which is before it at the present time. I need not tell my hon. friend that the government is anxious to get on with the business of the session, and the bill to which he has referred is one of the most important of the session. It is our wish to proceed with it at an early day. But it will not be proceeded with until the present war appropriation bill has been completed. The house has already given some four or five weeks to that particular bill, and I should hope that it would be possible to conclude its consideration, along with one or two other small measures, this week. I should hope it would be possible to go on with the other bill some day next week.

I would direct the attention of hon. members to the fact that up to the present time there has been practically no supply considered by the house, and the budget has still to be brought down. There are one or two other important measures on the order paper, and of necessity there may be further legislation before the present session is over—not that I am aware of any at present, but usually something unforeseen crops up at the last moment. If we are to get through before autumn I think we should begin very soon to make more rapid headway than has been made up to the present time. I am not at all sure that it might not be advisable in connection with further proceedings of the house to divide the days between some of the different measures, rather than to sit continuously in discussion of one particular measure. Might I in that connection say further that in my opinion some of the matters being dealt with under the war appropriation bill would be more properly dealt with in supply of the departments concerned. I do not refer to the defence departments. I am told it is the desire to consider some matters with relation to the Department of Agriculture, and if that were to take the form of a discussion in committee of supply we might have the whole discussion over again when we are in committee of supply. Perhaps time might be saved if the matters to which references are made in the discussion on the war appropriation bill were confined to that bill itself.

Mr. HANSON (York-Sunbury): To a large extent I agree with what the Prime Minister has said; but may I point out to him that while we are in the seventy-second sitting day of the session, we took twenty-one sitting days in the debate on the address. In those twenty-one days we heard no less than ninety supporters of the government. Then we were asked to put through to a conclusion another measure brought forth by the government, namely the plebiscite bill. Over half of the time of the house has been occupied in the discussion of those two matters.

With respect to the war appropriation bill I would point out that this is the largest money bill which has come before parliament, and I do not think our time has been lost in discussing it. It is the one occasion on which private members have the opportunity, and I say the duty, to investigate what the armed forces and the defence departments are doing. I suggest that the government should have brought on the ordinary estimates before this. There has been opportunity. The whole matter is in the hands of the government. They have taken authority to give government orders precedence; the order of business of the day is as the government directs, and the responsibility is on the leader of the house.

Mr. MACKENZIE KING: Well, may I say to my hon. friend that I think he has to take a little of the responsibility.

Mr. HANSON (York-Sunbury): I am willing to take mine.

Mr. MACKENZIE KING: He mentioned the time taken up on the plebiscite bill. There would not have been a day taken up on it if my hon. friend had not objected to it. It was fought so strenuously from the other side of the house that it was necessary to make clear the reasons why it should be supported, and my hon. friend came round in his point of view before the debate was over. I am not either complaining or explaining; I am simply stating what I think all hon. members recognize to be a fact, that we might get along a little more expeditiously than we have been doing.

Mr. HANSON (York-Sunbury): I hope so.

THE MINISTRY

APPOINTMENT OF HON. J. H. KING AS MINISTER WITHOUT PORTFOLIO

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the Hon. J. H. King, who is acting leader of the government in the Senate, was to-day sworn in as a minister without portfolio, it being thought that the acting leader of the government in the Senate should hold that position in the cabinet for the time during which he is acting as leader of the government in the Senate.

DEFENCE OF CANADA REGULATIONS

PRESS REPORT OF SPEECH DELIVERED IN MONTREAL BY MEMBER OF QUEBEC LEGISLATURE

On the orders of the day:

Hon. GROTE STIRLING (Yale): May I ask the Minister of Justice whether he has given consideration to the Chaloult speech and whether he has decided to take any action thereon?

Hon. L. S. ST. LAURENT (Minister of Justice): I have given consideration, and advisers of the department are giving consideration, to the Chaloult speech, and I hope to have information to impart to the house about their conclusions to-morrow.

AIR TRAINING CONFERENCE

INQUIRY AS TO INVITATION TO THE GOVERNOR GENERAL TO OPEN THE PROCEEDINGS

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): May I ask the Prime Minister if the Governor General, who is commander in chief of the forces in Canada, was asked to open the air conference last week?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am not aware that His Excellency the Governor General asked anything of the kind. If he had—

Mr. BRUCE: I inquired if he had been asked.

Mr. MACKENZIE KING: No, I am not aware that His Excellency was asked. Has my hon. friend any objection to raise?

Mr. BRUCE: I am asking only because of the public interest which has been aroused in the question.

[Mr. R. B. Hanson.]

SUPPLY

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee of supply.

Motion agreed to and the house went into committee, Mr. Fournier (Hull) in the chair.

INTERIM SUPPLY BILL

Mr. ILSLEY moved:

Resolved, that a sum not exceeding $38,803,172.40, being one-sixth of the amount of each of the several items to be voted, as set forth in the estimates for the fiscal year ending 31st March, 1943, laid before the House of Commons at the present session of parliament, be granted to His Majesty, on account, for the fiscal year ending 31st March, 1943.

Resolved that a sum not exceeding $1,101,311.83, being one-sixth of the amount of each of the several following items to be voted, as set forth in the estimates for the fiscal year ending 31st March, 1943, laid before the House of Commons at the present session of parliament, in addition to the sum mentioned in resolution No. 1, be granted to His Majesty, on account, for the fiscal year ending 31st March, 1943, namely Nos. 31, 80, 116, 117, 128, 129 and 300.

He said: I am asking for two months' supply, that is one-sixth of the main estimates. It is necessary to have some interim supply voted because only one-sixth was voted before, and that runs out at the end of May. We are now nearly at the end of May, and some provision has to be made for payment of the public service and other obligations of the government in the next month or two. I am requesting therefore that two months' supply be voted, because it is very doubtful whether the estimates will be through before the end of July. Certainly they will not be through before the end of June.

Mr. HANSON (York-Sunbury): Mr. Chairman, on account of considerations which were adverted to by the Prime Minister and myself a few moments ago, we find ourselves now in the seventy-second sitting day of the session without having voted any supply. The major part of the session up to the time of the introduction and discussion of the war appropriation resolutions was more or less of a political character. Parliament primarily in times of peace is called upon to vote supply, but for seventy-two days this parliament has been in session and no supply has been voted to his majesty. I suggest that all through these war sessions the government has not pursued the proper procedure, in putting off the voting of supply until the dying days of the session. In the interim they come to the House of Commons and ask for one-sixth now and one-sixth

again. What does that mean? It means that until the end of July they need not ask the house to go into committee of supply. I do not think that that is a proper procedure for the government to pursue.

There are two fundamental objectives of parliament in the ordinary course of proceedings. One is to vote supply to his majesty and the other is to provide ways and means of securing money. Both those considerations have so far been ignored. I do not think the government is justified in asking for a second one-sixth of these appropriations, especially in view of the fact that while we vote the money on the peace-time estimates as well as on the war-time appropriation, parliament is given practically no accounting of how the money is being spent. If you do not believe that, examine the auditor general's report as it stands to-day. In other words, parliament is being asked to vote money en bloc twice in the earlier stages of this session and then to put through the final votes with a rush at the end of the session. That is not treating the members of the House of Commons properly. I protest against this kind of procedure, and I protest against a whole one-sixth being voted to-day.

I realize that the minister has intimated that we are near the end of the fourth month of the session, that the interim supply already granted will run out on the 31st day of May, and that if we do not pass some interim supply to-day, or between now and the 31st, some people, including members of parliament, may have to go without their salaries or indemnities. Well, it would not hurt hon. members if they had to go without the indemnity for a little while, if we could be brought to a realization of the true function and position of parliament. I protest against the granting of one-sixth; I am willing to grant one-twelfth, and that is as far as I am going. I am not going to start a filibuster against this measure, I shall not do anything of the sort. But I ask the minister to confine himself to one-twelfth, especially in view of the fact that he was very generously treated on a former occasion when he asked for one-sixth.

This is the seventy-second sitting day of the session. We spent twenty-one days on the debate on the address. The government could have brought in supply at any time. Then came the plebiscite bill. The Prime Minister says that that would have gone through immediately had I not taken the position I did. I wonder whether it is the thought of the Prime Minister that the opposition in this house should abdicate its functions. We have a responsibility to the country just as much as the Prime Minister or the government. It is true that it is lesser in degree; nevertheless there is a distinct responsibility on the official opposition; and if we had let the plebiscite bill go through without discussion, unquestionably we would have been recreant to our duty.

After that came the billion dollar resolution and the bill based thereon. That was not held up. We supported that measure and helped to put it through. Then came the resolution on the war appropriation of two billion dollars. I do say at the risk of repeating myself that while that debate is long and is bound to be long, it affords the one occasion in this session when the people of Canada, on the anvil of discussion, can bring out the truth, so far as the government is willing to reveal it, in relation to the war effort of this country. Any time that is spent on the war appropriation bill is time well spent, and I believe I am in the judgment of the country when I make that statement. If the minister gets this one-sixth through to-day he need not bring up the question of supply until the end of July when the heat of summer will be on us and everyone will be crazy to get home. It is not a right position for the government to take and I protest.

Mr. COLDWELL: In the main, I support the contention of the leader of the opposition. I believe the time has come when the rules of the house ought to be revised. There was a time when, as the leader of the opposition has said, the main function of this house was the granting of supply and finding ways and means to give that supply to the government. But times have changed and to-day this house has the responsibility of supervising and inquiring into vast economic undertakings and of assuming responsibility in a larger way than ever before for social conditions and social legislation. The result is that parliament's function has to a very large extent been extended in the last twenty years or so, and consequently members come here not only to supervise the expenditure of money and to find ways and means of granting it to the crown, but also to advance social policies now of permanent interest to the community and to inquire into the vast economic undertakings which now belong properly to the government and will probably in future years be extended. I know that at Westminster the rules have been changed to some extent so that the government from time to time sets aside certain periods when certain things are under discussion and are expected to be discussed within that limited time. They have a time table, as my hon. friend the member for Vancouver

East (Mr. MacInnis) suggests to me. The same is true, I know, in New Zealand, in Australia and in other parliaments across the world. Our function as a parliament has greatly changed and extended and it seems to me that we are trying to operate under rules which no longer altogether meet the situation under which we are operating.

I agree with the leader of the opposition that it is wrong in principle for this house to grant supply for two months and then two months again, without going into the matter more carefully than we are able to do to-day. That does not imply any lack of confidence in the Minister of Finance (Mr. Ilsley) or the officials of his department, or the government generally, but I think it is unsafe and unsound that we grant vast sums of money to the government without adequate and proper inquiry and discussion. I also agree with the leader of the opposition that the war expenditures bill which is now before us, granting to the government the most stupendous sum that we have ever been called upon to vote, ought to be the subject of most careful inquiry in this house, even if it is a prolonged inquiry. I think, however, that if the opposition groups as well as the government would endeavour to departmentalize their own activities a little bit and assign to members of their groups criticism on behalf of the whole group we should probably facilitate the business of the house as opposition groups. We have tried to do that in our little group, and perhaps this has been noticed from time to time. I think that upon the opposition as well as upon the government some responsibility for facilitating the business of the house really rests. In the main, I repeat, I agree with the general criticism of the leader of the opposition.

Mr. POULIOT: I cannot agree with the leader of the opposition but to-day I will express similar views. This is the old discussion. I am a supporter of the government and the Minister of Finance is a personal friend of mine, as he knows. If I rise to-day it is because of the promise that was made to me by the Prime Minister (Mr. Mackenzie King) last year, that the public accounts would be prepared more carefully this year than they were last year. Unfortunately, according to what the leader of the opposition said during the course of my remarks on March 17, no item below $35,000 now appears in the public accounts. This is a serious matter. Members should be given an opportunity to secure more detailed information from the auditor general. We have two sources of information with regard to public expenditure. In the first place we have the estimates, and secondly we have the public accounts. As to the estimates, I find that there is a great difference between ours and those in the United States. The other day I mentioned the budget which is yearly presented to congress by the President of the United States, and I said that it was a big book the size of the telephone directories of the city of New York, probably two of them, Bronx and Manhattan, bound together. Here I hold in my hand that very official document which was published in Washington, D.C., this year and which is entitled "The budget of the United States government for the fiscal year ending June 30, 1943". It is the budget of the United States at war. I observe with deep regret that British parliamentary traditions are better kept in the United States Congress than they are in the Canadian House of Commons. For instance here at page 764 start the estimates for the navy. They are rather detailed. They extend from page 764 to page 819. I have already said in this house that during the war there should be no secret about money expenditures. I protested with the hon. member for Danforth (Mr. Harris) when he complained that the war expenditures committee was sitting behind closed doors. Hitler can get no help from knowing what amount of money is spent in this country for war purposes. It will not improve his chances in any way; therefore I do not understand why such a committee is sitting behind closed doors. And I cannot understand why it is that in the United States they can have such detailed estimates for the navy, and we cannot have them here. However I was pleased to congratulate the Minister of National Defence for Naval Services on the way he handled his war estimates in committee of the whole.

But that is not all. There are also very detailed estimates for the war department in the very same United States budget for the next fiscal year. They extend from page 895 to page 964, with all details. The United States take war seriously, they do it very well, and of course the President of the United States is well enough qualified as a business man and as a shrewd diplomat not to put in his budget anything that would handicap the war effort of his country. Here we have it, and it is a big book.

Mr. ISNOR: It is a big country.

Mr. POULIOT: It is a big book for a big country and for a great war effort.

I heard the Prime Minister say—I do not know whether these are his exact words, but

they express the meaning of what he said—that some time has been wasted since the beginning of this session. It is my contention that the very reason why the discussion has continued so long with regard to the tremendous amounts spent for war is that we have no detailed estimates about war expenditures in this country. If we had them the discussion would have been much shorter; we would have proceeded in the same way as we did in years past, and after an item had been adopted no hon. member would have been allowed to discuss it again. If there are repetitions in the discussion of that war expenditure it is precisely because hon. members have no guidance in the matter; the discussion jumps from one subject to another in complete disorder and complete chaos.

I was greatly surprised when that course was followed. I regret to have to say that I foresaw that, and I warned the government about the danger of adopting this new practice. No member of the government can complain about any private member discussing fully before this committee any matter regarding expenditure. That right will not be denied. Since it is an unquestionable right, hon. members cannot be blamed for taking advantage of it and using it.

May I ask the government, in the first place, if the statement made by the leader of the opposition is correct that amounts below $35,000 do not now appear in the public accounts? If that is so, why has that course been followed? Secondly, why did the government not put in the estimates detailed information about the expenditures of the war departments? These questions seem reasonable. I should like also to know if it is because it would impede or decrease or handicap our war effort, and if so, how is it that the United States give precisely the information that we have been asking for? As everybody knows, they are doing very well in their war effort. I am ready to give the government a chance on this motion, but this is the last time.

There is another thing I want to tell the house. For many years past I have complained of the intelligentsia. I find that the men who are the arbiters or the high pundits of finance and who are graduates in economics, social science and so on are a curse to all the countries of the world. I say that as a war measure the teaching of economics and social science in universities should be stopped at once, and that all those who are doctors in economics or doctors in political and social science should be fired at once from government jobs. We see now the prodromes of a revolution that existed in Russia before the communists took power in that country at the end of the last war. I love my country, and I want to see sound reasoning in matters of finance, as there is in law or any other science. Of course finance is a science, as law is a science, as geometry and mathematics are sciences; but political economy and the social sciences are not real sciences. Of course I may be told that political economy is part mathematics and part law, and that since mathematics and law are sciences, political economy or the social sciences are also sciences. This is most untrue, for the reason that what is called political economy, what is called social science and what is called political science are mostly just a conglomeration of divergent views which have been put together and which cause headaches to the students of such matters when they really have brains from which to suffer. What happens? The doctors of those half-baked sciences try experiments, not in a scientific way and on an infinitely small scale; but all their experiences are nation-wide, and when they are unsuccessful it is a nation-wide failure.

Mr. CRUICKSHANK: Does the hon. member for Témiscouata believe in Darwin's theory?

Mr. POULIOT: I would not offend my hon. friend by telling him that he should not have risen to the occasion. Since the house is in a jovial mood, I remember what was said by a great educator of the city of Quebec, that one should always be able to smile even in his deepest affliction. It is very sad to discuss these matters, but even in war time—the more so during war time—we should come back to fundamentals. Everyone will agree to this. We must come back to fundamentals, and the fundamental of finance is common sense. More than that, it is the responsibility of the government to parliament, and of parliament to the nation. How can we satisfy the legitimate curiosity of our constituents about the expenditures that we vote if we are not in a position to give them all the information that may be asked by any one of them? Even if only one elector, one constituent in only one constituency in Canada, asks for full information about the expenditure of public money by this government, he should be entitled to get the information; and the money spent in gathering and printing it would not be spent in vain; for that citizen is only being true to the old British parliamentary tradition of governmental responsibility in regard to expenditures. I do not want to be cruel to anybody, but I warned the government before my hon. friend the Minister of Finance occupied his present high post. I warned them that a man who was

responsible for the bankruptcy or failure of a very large United States concern was not qualified to occupy a high post in the Department of Finance.

Mr. ILSLEY: No one in the Department of Finance was responsible for the bankruptcy or failure of a large American concern.

Mr. POULIOT: All right; then I ask the minister what his deputy did during the years which are left blank in the parliamentary guide?

Mr. ILSLEY: What years were they?

Mr. POULIOT: Several years. I do not want to be hard on anyone, but I want the minister to have advisers worthy of him. That is all I want; and when that is done I am ready to close my eyes. The years were from 1923 to 1930, when this gentleman was employed by Mr. Hoover in the United States, I do not know whether in connection with the tariff or other matters; it is not stated. But if my information is correct, he was first employed by and later became a director of the S. W. Straus corporation of New York, a very large concern, which among other subsidiaries controlled the Straus Investment corporation, with offices on Fifth avenue. He was treasurer and director of the investment corporation and a director of the parent company. I have asked for this information; the Minister of Finance must remember the time. He was then Minister of National Revenue; and when I brought the matter before either the committee or the house, one of his colleagues prevented me from mentioning these facts. Therefore I could not say anything; I have not said anything then. It is not a question of attacking someone who is not here. It is a question of being free in this country from that sort of intelligentsia which brought revolution in Russia some years ago. I do not want revolution in this country; I want order. And my suggestions regarding the estimates and regarding the public accounts were precisely intended to reestablish order in the finances of this country during the war. It is of the utmost importance that the discussion of public accounts should be orderly. It cannot be orderly unless we have complete figures in the estimates and in the public accounts, so that we may check all expenditures.

That being said, I shall not insist further. I think I have made myself clear enough on the matter. I have no grudge or grouch against anybody, and I have spoken in a very serene manner about matters of the greatest importance to the state as well as to the Canadian people. I shall support the motion on the understanding that there will be no other motion of the kind and that the estimates and the public accounts are completed according to the promise that was given to the committee by the Prime Minister last year. There can be no question as to cost, because the presses down at the printing bureau were busy for twenty-four hours a day for weeks, printing propaganda for the plebiscite, and it is my humble view that the printing of detailed information regarding public expenditure is much more important to the people of this country than any futile and frivolous propaganda of that kind.

Mr. CLAXTON: Mr. Chairman, I have only a word to add to the suggestions which have been made by the three previous speakers in connection with the organization of debate, and I speak with a great deal of humility as a younger member of this house. I believe most hon. members feel, with the three previous speakers, that some improvement could be made in that respect, and as a younger member I think that if we think an improvement could be made we should do something to bring it about. One or two connected matters I shall mention briefly.

A great deal is said about government by order in council. The house has been told that some 24,000 orders in council have been passed during the war. It is perfectly evident that if any considerable number of these orders in council had been brought before the house they would not have been passed and the work necessary to get on with the war would not have been done. It is obvious therefore that we must have orders in council to do things that must be done quickly. On the other hand this does not dispose of the objection that parliament's powers are gradually being removed from it in this way by legislation of a very substantial character. I suggest that if parliament is to remain anything it is time some new device was worked out by which orders in council having a generally legislative character could be periodically brought before parliament, or some committee of parliament, there to be reviewed.

We have an idea in this house—I had when I came—that our system of parliamentary procedure is modelled on the British system. I read the British *Hansard* as regularly as I can, and I find that it is practically impossible to reconcile the debates and the procedure in the British house with the debates and the procedure here. They are not similar in any respect. I do not suggest to Canadians that they should adopt every British thing as a model, but if you look at the procedure followed in Britain you will find that it has been brought up to date, much more up to date

to meet the needs of to-day and the needs of the war than ours is. I do not believe our procedure has been looked at dispassionately and constructively for the past fifteen years; consequently I suggest that for this reason, and a good many others which those who have had more experience in the practice of the house may bring forward, the time has come when a committee of this house should be set up to look into the rules of procedure, not so much from the technical point of view as to see how this parliament can better carry on the nation's business, particularly in connection with the war.

Mr. DIEFENBAKER: I have listened with a great deal of interest to the hon. gentleman who has just spoken (Mr. Claxton), but I cannot follow his argument as to the necessity of orders in council in regard to non-war matters. I can understand the need of orders in council so far as war measures are concerned, but the expansion in that regard during the last two years has been justified because we are at war, and it has been used as an excuse by the government to remove from parliament the opportunity of looking into many matters which should have been dealt with by parliament and not through the medium of order in council.

When the Prime Minister is asked what statutes of this parliament have been abrogated, amended or suspended by order in council, he is unable to answer because there is no record of them. He says to this parliament that the government does not know what statutes passed by parliament have been amended by order in council.

I am glad to see the attitude that is being displayed in recent weeks by so many members in all parts of this house, an attitude for which we on this side have contended from the very beginning of this parliament; that we must once and for all demand our rights as members of this house. We have a duty to perform. Parliament is being emasculated under the guise of the exigencies of war.

The Minister of Finance makes application to the house for the extension of supply for another two months without giving the house what the leader of the Cooperative Commonwealth Federation party said was so necessary —an examination of the accounts, of the expenditures being made by the government. We as an opposition do not discharge our responsibility as members before the people of this country simply by saying to the government: We give you carte blanche; we will vote one-sixth of the estimates, and further, we will extend the time for examination of the expenditures until the month of July or the early part of August. When we come to that period, Mr. Chairman, we shall have been sitting here almost five or six months. We shall be desirous of returning home, for a short time in any event, and in the latter days of the session tens of millions of dollars of expenditure which should be looked into will not be examined by parliament at all. Why cannot the estimates be brought down now?

Mr. ILSLEY: They are down.

Mr. DIEFENBAKER: Oh, yes; the Minister of Finance says they are down, but what opportunity do we get to discuss them?

Mr. ILSLEY: Give us a chance.

Mr. DIEFENBAKER: We do not get a chance. How do we deny the government the right to the chance that should be ours?

Mr. ILSLEY: By discussing other matters.

Mr. DIEFENBAKER: To-day the government controls the public business of this country. The hon. member who spoke just before me mentioned—at least I gathered so from his remarks—that there has been a diminution in the powers of parliament, and he compared it with the situation in the old country. In my opinion one of the reasons this parliament is becoming weaker as the days go by is that it is becoming a government by caucus. That is the procedure, instead of having matters fully discussed in parliament and determined by the representatives of the people in parliament. Determination as to course and as to attitude is being made elsewhere than here.

I think the time has come for the Minister of Finance, who has a ready command of the resources of the people of Canada—and they are willing to pay; they are willing to submit to any amount of taxation—to give a clarion message to our people stating that unnecessary civilian expenditures will be drastically reduced. The government should give the lead.

Is the government giving a lead this year? I have in my hand the estimates for the year ending March 31, 1943. They show that there will be a reduction in expenditures from $511,099,822.64 to $454,884,365.59, a decrease of about $56,000,000. These figures have all the appearances of an intention on the part of the government to reduce civilian expenditures. But when one looks at the reduction, what does it reveal? A reduction in agriculture of some $30,000,000. What does that represent? It represents a reduction in prairie farm bonus payments to the extent of $29,775,000. Then there is a further reduction under the head of "Finance".

Mr. ILSLEY: If the hon. member would suggest some specific cuts in agricultural estimates I should be glad to see what can be done.

Mr. HANSON (York-Sunbury): That is your duty.

Mr. ILSLEY: I have discharged that duty.

Mr. DIEFENBAKER: We want the opportunity of assisting the Minister of Finance in the discharge of his duties. We want to look over these estimates one by one, make recommendations, and be able to say to the people of Canada that the only consideration in expenditures for civilian purposes will be need, not demand.

Then, turning to page 11 of the estimates—

Mr. ILSLEY: And that has been for two or three years, since the outbreak of the war.

Mr. DIEFENBAKER: —there is a reduction of $45,000,000 over the expenditures of 1941-42, and that is placed under the heading of "Compensation to Provinces". So that in point of fact there is no reduction in the estimates for civilian expenditures in Canada in the coming year.

The Minister of Finance has said that that to reduce civilian expenditures has been the purpose, the idea, the aim of the government in the past two years. All that may be true, but the results do not show it, and the estimates do not bear out the minister's contention. The same attitude is prevalent in the provinces. Canada, individually, provincially and federally, seems to be on a kind of spending spree, on an orgy of expenditure, uncontrolled, because parliamentary institutions are not being utilized. Opportunity is not given to hon. members to demand reductions.

Let us examine the position of the provinces—because the figures tell their own story. Let us look into the ordinary expenditures of 1938 in the provinces as compared with those of 1941. Even though relief expenditures have been taken away from the provinces since the outbreak of war, because of greater employment, it will be found that in almost every case there has been a very heavy increase in ordinary expenditure. The total ordinary expenditures of the provinces in 1938 and 1941 are as follows:

Province	1938	1941
P.E.I.	$ 1,974,248	$ 2,194,810
Nova Scotia	11,658,246	14,177,656
New Brunswick	8,549,782	10,046,806
Quebec	50,335,751	52,455,879
Ontario	95,228,877	100,659,054
Manitoba	16,427,700	17,982,274
Saskatchewan	19,306,527	25,762,485
Alberta	21,359,739	20,570,676
British Columbia	27,672,043	29,653,164

These figures indicate that since a year before the outbreak of war, instead of there being a reduction in civilian expenditures, in all provinces with the exception of Alberta there have been increases. In the dominion the same situation prevails.

There is no sufficient examination to-day of the estimates. In the last two or three days of the last session we literally voted hundreds of millions of dollars. The minister has said that we have opportunities all during the session to examine estimates, but I say to him that that opportunity has not been given to us as yet. If to-day we vote one-sixth of supply it simply means, as the leader of the opposition has stated, that the Minister of Finance need not again come before parliament and ask for any supply until shortly before August 1. In other words, the opposition, and the people of Canada as a whole, are to be denied the opportunity of any intensive or critical examination of the estimates, at a time when wherever possible the most drastic reductions should be made.

Mr. HANSON (York-Sunbury): Mr. Chairman, I should like to congratulate my colleague the hon. member for Lake Centre (Mr. Diefenbaker) on the clarity and cogency of his remarks. An opportunity should have been taken long ago to call attention to the illusory nature of the claims of the government with respect to peace-time reductions.

When the estimates were brought down some weeks ago—and not since proceeded with—I made a more or less cursory examination to see if there was any justification for the claim which had been headlined to the country that there had been a reduction in peace-time expenditure. I think I can prove the thesis that that statement is not based on fact, according to the figures revealed by the estimates. It is a matter of surprise to me that with one or two possible exceptions the press did not get the true import of the figures, produced, I assume, by government propaganda, at the time the main estimates were tabled.

As was pointed out by the hon. member for Lake Centre, a summary of the main estimates for the fiscal year ending March 31, 1943, appearing at pages 2 and 3 of the estimates, indicates on its face a reduction of $56,215,457.05. As I have said, this reduction was blazoned in headlines all across the country, and it was suggested that the government was performing miracles in retrenchment. As a matter of fact a clear examination of the position reveals the exact opposite. But that was the impression which went out to

the country, and hitherto it has not been contradicted or exposed as misleading or ill founded.

In actual fact the main estimates for the fiscal year 1942-43 show a considerable increase as compared with the main estimates for the fiscal year 1941-42. The means by which the apparent reduction has been achieved is to lump together, under the total for the fiscal year 1941-42, the main estimates, the supplementary estimates and the further supplementary estimates for that year. It will be recalled that we had three doses of them. The result is that the comparison is between the total estimates for the fiscal year 1941-42 and the main estimates for this fiscal year 1942-43.

Let me recall the position with regard to these supplementaries. The supplementary estimates and the further supplementary estimates for the fiscal year 1941-42 contained an item of $35,000,000, to which the hon. member for Lake Centre has referred, to provide for wheat acreage reduction payments; and an item of $45,000,000 to provide for compensation to the provinces which agreed to vacate the corporation and income tax fields for the duration of the war. These two together amount to $80,000,000. As the minister indicated yesterday, $22,000,000 of the latter amount has been paid out to the provinces, and I believe nearly all the $35,000,000 has been paid out to the western farmers in respect of wheat acreage reduction bonuses. But in this year's estimates for wheat acreage reduction payments the main estimates provide only $5,225,000, a difference of $29,775,000. I suggest that that is not a true picture, because the government has introduced special legislation to replace the wheat acreage reduction payments, and the final or net result will be in all probability in excess of the $35,000,000 provided for last year. In respect of the new wheat policy to take the place of the policy of last year, they have raised the price but they will not tell us what they are getting, they will not tell us what the loss is, they will not tell us what the gain, if any, is, with respect to their dealings in wheat—although we all know that there is no gain, but rather a huge loss every year. I am not particularly complaining about that at the moment. I am trying to expose the position with respect to the press notices sent out with regard to the estimates tabled here in January.

No item comparable to the $45,000,000 voted for the provinces appears in the main estimates for the fiscal year 1942-43, although it is indicated that provision will be made in the supplementary estimates; and I refer you in that connection to page 11 of the estimates. Consequently in respect to this one item a reduction of $45,000,000 is apparently shown. But that is a most misleading situation, because it is to be paid, and paid doubly, as we know from the figures that were indicated yesterday—very much more than the $45,000,000 voted last year. I suggest to the minister that the correct comparison should be between the main estimates of the two years: the total main estimates for 1941-42, $433,000,000 in round figures; the total main estimates for 1942-43, $454,000,000.

What does that mean? It means a substantial increase. To be exact, a comparison between the main estimates of the two fiscal years shows an increase in ordinary operations of government to the tune of $21,752,726.09—a huge increase, and one which I do not think is justified in war time. I put myself in the judgment of the country when I make that statement.

I do not believe hon. members have analysed this situation, and I am glad to have the opportunity now to give my views with regard to it and to expose a hollow piece of sham—if that is a parliamentary expression—on the part of the administration towards the people of Canada in respect to these civilian expenditures.

That may be one reason why they have not brought on a discussion of these estimates. The minister says, give us a chance. They have had four months' chance to bring on these estimates. One of the very first things this parliament did was to take away all the rights of private members. You cannot do anything in this parliament unless the government so direct. They call the tune and we are permitted no rights save and except the withholding of supply. Of all the rights that private members have had, all the rights that opposition members have had with relation to this government the only lever we now have on the government is to withhold supply. When we let that right go, we are finished. That is the only right under a set-up whereby we give government business precedence for the whole session. In ordinary peace time there is a supplementary right, the somewhat attenuated right to bring in private members' resolutions. But how many of them are accepted by governments? Not many. To-day there is not a single opportunity for any hon. member to air even a grievance except on a debate on a money bill. Then how far does he get with it? I want to impress that position not only on the membership of this house but upon the

people of Canada. It amounts to the abrogation of our functions. What good will it do to revise the rules if you do not revise the will to carry on public business? I was on the revision of the rules committee fifteen or sixteen years ago. The committee did good work. It might have gone much farther, but nobody wanted to be too revolutionary. The mere setting up of codes of operation is not going to cure the evil. The cure has to come from the administration, in listening to reason in connection with these civilian estimates, and there is no evidence that the government is doing that.

The minister may take credit to himself for having pruned a lot of the estimates. I have no doubt he did so. I know something of how estimates are made up. They are prepared in the first instance by the departmental officials, and I have never known a departmental official in my life who did not want to increase his jurisdiction and his spending power. That is human nature. I am not blaming officials for that; it is the history of bureaucracy wherever you find it, even in a democracy. I have no doubt that the Minister of Finance prunes them and the treasury board prunes them again. That is always done. Nevertheless, unless there is the greatest firmness on the part of those who have the ultimate responsibility, the estimates will grow and grow and grow. In peace time it is almost inevitable, but it should not obtain for a minute in war time.

The primary responsibility is on the members of the administration who have to deal finally with the question of the quantum of the expenditures on the services. Do you mean to tell me that all the peace-time activities of the public works department are still required in Canada when we are practically at a standstill with regard to the operation of public works? Well, I shall have to be shown before I can believe that that is true.

I indicated a moment ago that the increase in ordinary operations of the government amounts to over $21,000,000, and I put the exact figures, as indicated by the two sets of estimates, upon the record. In addition, a further increase will be indicated and evident when the supplementary estimates are brought down—and make no mistake about it, there will be supplementary estimates; there always are—and probably further supplementary estimates will be brought down.

Whereas last year the amount of compensation to the provinces was $45,000,000, the Minister of Finance, in a press release as long ago as January, and again here yesterday on the floor of this chamber, indicated that we would have to pay about $85,000,000 to the provinces, plus a guarantee with respect to gasoline. Fortunately that guarantee did not represent much last year, but I venture to say that for the coming year it will represent a huge sum.

Mr. HOMUTH: A tremendous sum.

Mr. HANSON (York-Sunbury): It will be so tremendous that the people will be astonished. It may bring them to a sense of realization of how much money the country spends in gasoline in ordinary times, and perhaps we shall get the people of Canada back to the practice of one of the oldest virtues, and I should say the most unfashionable, the practice of thrift. If we can do that it will be a good thing, because we seem to have forgotten that there is such a virtue as thrift.

The total payments to the provinces for the fiscal year will be, we will say, $85,000,000 as opposed to $45,000,000 voted in the estimates last year. That means an increase in that item of $40,000,000, and that is civilian expenditure. It is important; it is necessary. I admit that, and because there is an increase, additional moneys must be raised.

Mr. CRERAR: What item is that?

Mr. HANSON (York-Sunbury): That is the vote to the provinces under the agreements; $45,000,000 last year as compared with $85,000,000 which will be voted in the supplementary estimates this year, plus the estimated deficit in respect of gasoline. That is civilian activity. True, it arises because of a war-time condition, but I hope the government will not pay that out of the war appropriation bill. We have not yet heard whether they will or not, and before this motion is adopted the minister should make that clear. I shall object if it is paid out of the war appropriation bill.

Then there is the legislation with respect to the wheat growers. That will involve a large expenditure either directly or indirectly on the part of the federal treasury as it did last year. Indeed, we may safely assume that in this respect there will be an increase. I do not know what the amounts will be. I do not suppose any reasonable forecast has been made.

Mr. HOMUTH: The government does not know.

Mr. HANSON (York-Sunbury): Probably the government does not know. When it put up the price to 90 cents I doubt if it did know.

Mr. POTTIER: The opposition wants more.

Mr. HANSON (York-Sunbury): That is all right; the farmers are entitled to more. Does the hon. member for Shelburne-Yarmouth-Clare (Mr. Pottier) say that they are not?

Mr. POTTIER: Why does the hon. member criticize it?

Mr. HANSON (York-Sunbury): Because I am trying to expose the hollowness of the government's contention that there has been a reduction in the civilian activities of this administration, and I am right. I say therefore the comparisons that are made in the main estimates, the government blue book itself to which I have referred, are wholly misleading and present to the people of Canada an entirely false impression of the existing situation. I am surprised at the members of the press, who are usually very alert. I am surprised that the gentlemen of the press gallery have not analysed the situation before this and given the people the real facts. The only journal in Canada I can find which has become seized of the situation is the *Globe and Mail*, and I will take the liberty of putting on the record of this house an editorial of the *Globe and Mail* of February 23 last under the caption "Few signs of economy". I read:

The federal government tabled on Friday the estimates of the ordinary non-war civilian expenditures for the fiscal year 1942-43 and they will make rather depressing reading for the Canadian public. For the fiscal year 1941-42 the original civilian estimates were $433,131,000 but they were swollen by later supplementary estimates to a total of $509,566,000. Mr. Ilsley now places the civilian requirements for the coming fiscal year at $454,884,000 and there accordingly appears temporarily on the surface a reduction of some $55,000,000, but the decrease is patently illusory. For the 1941-42 estimates included an item of $45,000,000 designed to compensate the provinces for the revenues which they would lose by withdrawing from the field of income taxation upon individuals and corporations. But this sum was not paid over—

I understand that half of it has been paid, but I do not think it was made clear whether it was paid in this fiscal year or in the past fiscal year. The minister should tell us.

But this sum was not paid over, and so the total civilian expenditures in 1941-42 were cut to about $464,500,000. Now if agreements are consummated with all the provinces about the transfer of taxation rights, this compensatory item of $45,000,000, which was not included in the estimates tabled on Friday, will have to be added later; and even if there were no other supplementary estimates, which is unlikely—

Quite unlikely, I suggest.

—our civilian expenditures for 1942-43 would thus be raised to roughly $500,000,000—

Yes, and a good deal more than $500,000,000, depending entirely on what the deficit is in the guaranteed tax.

—which would mean that they will eventually be at least $35,000,000 greater than the total sum required for 1941-42.

I will not read the rest of it, which is along the same line. I ask the minister this question, and it is the appropriate occasion on which to ask it: Why is it that the government has not grappled with this problem of civilian expenditures and endeavoured to lead the country? I heard my hon. friend over the radio suggest that the people of Canada should tighten their belts. What evidence is there that the government is tightening its belt?

Mr. HOMUTH: They haven't got a belt.

Mr. MARTIN: Braces are more secure.

Mr. HANSON (York-Sunbury): I find them so myself. The people of Canada are asked, in this figure of speech, to tighten their belts; but I repeat, what evidence is there that the government of Canada is tightening its belt? Go through the purlieus of this house and look at the number of men on the House of Commons payroll. Has there been any cut in the personnel of this house? I ask the minister. There has not been any.

Mr. ILSLEY: Now you are getting somewhere.

Mr. HANSON (York-Sunbury): I am dealing with a situation which comes right under my own nose. There are as many men on the payroll of this house as there ever were. Go to the senate and you will find there men who are actually doing nothing because the government will not give the senate anything to do. They serve a useful purpose and they have to be there. What are these men in the senate doing during the long recesses? They are not doing anything. The government should use the senate. Those fifteen vacancies should be filled with some of the best brains in the country, who could assist the government to carry on the war effort. There are men in the ranks of the Liberal party, and if there are not, there are men in the ranks of the Conservative party, who could help the war effort of the country, and could do wonderful work in the senate of Canada. But because of past considerations, past commitments which ought never to have been made, this cannot be accomplished. Let me impress upon gentlemen who claim to represent minorities the fact that the senate, which was set up by the wisdom of the founding fathers to be the bulwark of minorities in this country, is being allowed, by the action of the administration, to lapse into desuetude and decay.

One other matter. I was interested when the hon. member for Témiscouata (Mr. Pouliot) brought to his place in the house and exhibited to us the detailed budget of the United States in connection not only

with peace-time activities but also with war-time expenditures on the navy and other armed services. What have we that is comparable to that? We get nothing but a few lump sums, without any statement that the amounts indicated be adhered to; they are simply a guide or chart. We have heard about charts before at the hands of my right hon. friend. A chart is something to be disregarded if it is the will of the administration so to do. This House of Commons ought to insist that when the next war appropriation bill comes down, be it $3,000,000,000 or what not, the government, with all the staff they have available, shall produce to the people of Canada and the membership of this house reasonable details of their expenditures, what their proposals are with regard to military expenditures. I serve notice on the administration now that if I am here I shall demand that that be done, and I ought to receive the support of every private member of this house, irrespective of where he sits. Do you know, any one of you, where your money is going? Do you know, any one of you, how much of your money is being wasted through irresponsible officials or appointees of a government who have no responsibility to parliament? You do not, do you? Not one of you. Do you know how much money an aeroplane costs? You have not an idea in the world how much money you are putting into aeroplanes. All these things are done with the taxpayers' money, voted by this parliament more or less willingly I think perhaps for the most part, and as far as I am concerned most willingly. All the money the government want with which to wage this war successfully will be given by the noble Canadian people, who have always been ahead of this government. They will give it to them with the best of grace. But how much are we told as to what is being done with our money and how much of it is wasted?

Let me give an illustration. Early in the war representations were made to this government that they should build an airport at Pennfield, engineers were sent down. I myself thought it might be a proper place to build an airport. When the engineers came back I understood their report was adverse. I took occasion to send for the director and for the engineer who made the inspection, and they gave rather convincing reasons that owing to atmospheric conditions it was not a proper thing to build an airport at Pennfield. I did not agree with them; I do not agree with them yet. But the project was first proceeded with and then abandoned, and the reason given was its proximity to the bay of Fundy. Last Sunday night on my way here, at the railway junction at MacAdam across the track from me stood a special train, the cost of which would be thousands of dollars, to move to Rivers, Manitoba, the officers and staff that had been at Pennfield. They do not know why they are going, but I believe there has been some condemnation of the establishment of an airport at Pennfield because of certain climatic conditions. This should be explained to us by the Minister of National Defence for Air.

Now, what happened? Notwithstanding the adverse reports that I learned of through the medium I have mentioned, someone some time decided that an airport should be established at Pennfield. A contractor was brought here from New Brunswick, a good contractor with ample plant. He went home with me on the train one day and he had a smile like the smile on the face of a tiger—after he got a contract at his own price. Millions have been spent on that airport, and now it is to be abandoned.

An hon. MEMBER: How many millions?

Mr. HANSON (York-Sunbury): I do not know. I want to know. I am told it is now to be abandoned; that remains to be seen. At all events the school that was there has been moved out lock, stock and barrel. I saw them going myself. That is the type of thing that the people of Canada do not understand and that they want explained. And they want the truth. I venture to say that twenty-five cents out of every dollar—it certainly was true in the early stages of the war—paid for war expenditures was absolutely wasted. Not a dollar's worth of labour or return was given for a dollar of expenditure. Speed was the only thing. And why was speed necessary? Because this government in the first nine months of the war did absolutely nothing to meet the situation. They were going to have a moderate war. A moderate war! Ask any hon. member from the province of Quebec if they were not promised that Canada's contribution would be a moderate contribution.

Mr. MARTIN: Promised by whom?

Mr. HANSON (York-Sunbury): By the Liberal party at the last election. I can turn up in my files dozens of clippings and reported speeches.

Mr. HOMUTH: What did the hon. member for Essex tell them in Windsor?

Mr. HANSON (York-Sunbury): I will say to the minister that this debate will have served a useful purpose if it calls the attention of the country to the present situation, and if he will heed the voice of public opinion. It is not right that he should ask for two months'

interim supply and then in the closing days of the session, in July next, when hon. members who have been here for nearly seven months are anxious to get away, seek to pass these estimates. That is not the way parliamentary business should be done.

I commend these considerations to the Minister of Finance. I hope he will take them in good part. I hope there will be some improvement, and I hope that press notices will not be given out, as they were in January last, that in my view are wholly false.

Mr. ILSLEY: My colleague the Minister of Mines and Resources is I believe about to make a few remarks, but before he does so I want at once to take exception to the suggestion that there was any sham or any falsity about any press statement issued by myself as Minister of Finance. I remember the press release very well. Pains were taken to make it in no way misleading. There was nothing misleading about it, nor was there anything misleading about the summary of expenditures for the last fiscal year or this fiscal year. The hon. gentleman has not suggested any manner in which the presentation could have been improved. The facts were presented exactly as they were, and any interpretation that has been put upon those figures has been put upon them by the hon. gentleman himself. I shall have something more to say about that later.

Mr. HANSON (York-Sunbury): Of course the minister has not said my interpretation was wrong.

Mr. CRERAR: We have listened to a very interesting speech from the leader of the opposition. I only wish he had put as much profitable advice into it as he did sound and fury.

Mr. HOMUTH: You would not understand that.

Mr. CRERAR: The hon. member for Waterloo North—

Mr. HOMUTH: Waterloo South.

Mr. CRERAR: Then I congratulate the electors of Waterloo North.

Mr. HOMUTH: They are not so proud either.

Mr. CRERAR: My hon. friend has taken a great deal of exception to this interim supply vote. He says, "Why didn't you have your estimates before the house?" They have been before the house.

Mr. HANSON (York-Sunbury): They never have been before the house, except pro forma.

Mr. CRERAR: Just a moment. The estimates were tabled immediately after the debate on the address was concluded. My hon. friend knows what the situation has been; it has not been possible to get these estimates by departments before the house except on a few occasions. I should like to give the committee a brief summary of the matters which have been discussed since this session opened at the end of January. I agree with the leader of the opposition that the debate on the address dragged on for a great length of time, and that a large number of the speakers who took part in that debate were from the government side. I would not wish to deny him any satisfaction he may get from that fact. But there were other matters. He has referred to the plebiscite debate, which came on after the debate on the address was disposed of. The plebiscite debate did not take nearly as long as the hon. leader of the opposition would suggest.

Mr. HOMUTH: But it was unnecessary.

Mr. CRERAR: There were other measures. For instance, there was a very important measure having to do with the reestablishment in civilian life of those who enlisted in the army.

Mr. HANSON (York-Sunbury): That was just a bagatelle and did not take any time.

Mr. CRERAR: I sat here patiently and listened without interrupting my hon. friend I should be glad if he would accord me the same courtesy.

Mr. HANSON (York-Sunbury): Quite right; I apologize to the minister.

Mr. CRERAR: That debate lasted several days, but it was a very important measure and surely there can be no criticism of the fact that the debate lasted so long. Then there was the wheat legislation, which also took considerable time in this house. I was much intrigued, if I may use that word, by the remarks of the hon. member for Lake Centre (Mr. Diefenbaker), who criticized the government severely, in his impassioned manner, because of its lack of economy. "Why are you not saving money," he said. "Look at your expenditures; look at the taxation the country is paying." But what was the attitude of the hon. member for Lake Centre when the wheat legislation was before the house? If he will look up *Hansard* and read his remarks at that time he will see that his whole criticism of the government was that we were not spending nearly enough money

for the relief of the wheat farmers. And he had a very good seconder in his colleague, the hon. member for Qu'Appelle (Mr. Perley)

Mr. HOMUTH: They wanted to take it from the elevators and give it to the farmers.

Mr. CRERAR: Perhaps it would be a good idea if the hon. member for Waterloo South would hide in an elevator for a while.

Mr. HOMUTH: Well, you have done pretty well out of it.

Mr. CRERAR: That was the position taken by the hon. member for Lake Centre. What did he advocate? Parity prices for wheat. And the hon. member for Qu'Appelle: parity prices for wheat.

Mr. PERLEY: And no bonuses or waste.

Mr. CRERAR: Well, it is generally understood that parity prices for wheat would have required probably another $100,000,000 or $120,000,000 on a normal crop.

Mr. HOMUTH: Is that a government admission?

The ACTING CHAIRMAN (Mr. Fournier, Hull): Order.

Mr. CRERAR: I would ask the hon. member for Waterloo South for once please to restrain himself for a bit.

Mr. HOMUTH: I just want to know if that is a government admission, that to give parity prices to the wheat farmers would cost $100,000,000. I think we should have an answer.

Mr. CRERAR: I am not taking back what I stated a moment ago, that this was the criticism of the hon. member for Qu'Appelle and the hon. member for Lake Centre. First we were not doing enough; we should be spending more money. We should have parity prices for the farmers. They did not offer any calculation as to what that would cost, but on the basis of the representations made it would cost well over $100,000,000. And when these two hon. members were making impassioned pleas for the expenditure of more public money in wheat payments to western Canada, the leader of the opposition was applauding them most heartily.

Mr. DIEFENBAKER: Would the hon. gentleman allow a question?

Mr. CRERAR: I did not interrupt my hon. friend.

Mr. DIEFENBAKER: I should just like to ask the hon. gentleman if he thinks the farmers should not receive the same consideration as all other producers of war-time necessities.

Mr. CRERAR: Now my hon. friend is shifting his ground a bit. I am not criticizing the payments which were made to the wheat farmers, but I am saying that these great apostles of economy advocated in this house a programme which would have meant the expenditure of additional scores of millions of dollars. In that, may I repeat, the hon. member for Lake Centre was ably seconded by the hon. member for Qu'Appelle, and both hon. members were applauded by the leader of the opposition, who chastises us this afternoon for our lack of economy. Where is the consistency in that?

Mr. HOMUTH: And some of the farmers from the west.

Mr. CRERAR: I am getting a little tired of these interruptions. The hon. leader of the opposition and the hon. member for Lake Centre have criticized the volume of the estimates for this year. I find myself concerned about that also. I do not think there is any business coming before parliament more important than the matter of providing money for the public service, and finding the means of raising that money. It touches the whole question of taxation—how taxes shall be levied, how the money shall be secured, and how it shall be spent. I agree with the leader of the opposition and the hon. member for Lake Centre that there is no more important duty resting upon parliament than that responsibility. If we go back to earlier days we find that our parliaments had their origin in controversies over that very question, which is, and I think always will be, as long as we have a proper appreciation of our responsibilities as members of parliament, one of the most important matters with which we have to deal. But it is not very often, when you come to consider the expenditure of money, that you hear the voice of economy raised in this house, and I am sometimes alarmed at the extent to which our expenditures have grown. There are, however, many items which are in the nature of fixed expenditures. The leader of the opposition referred to the fact that in these estimates we were voting something over $450,000,000 for the current year. Of that total, in the Department of Finance alone over $226,000,000 is statutory. I do not think my hon. friends or any other hon. member of the house would suggest that we should repudiate or cut down the interest on our debt. I do not hear anyone suggest either here or anywhere else that we should cut down old age pensions.

Mr. COLDWELL: Increase them.

Mr. CRERAR: On the contrary the argument is that they should be increased. Take another very important item, the amount expended by the Department of Pensions and National Health. The vote there is for almost $55,000,000. Is there any suggestion that practically all this money is not well spent? Most of it goes in pensions to men who returned from the last war and in looking after men who came back broken in body. Is there any suggestion that these pensions should be cut down? I do not hear it, and I do not think you will find it in the house or anywhere else. In these two items alone we have a total of $280,000,000 out of the expenditures of $454,000,000, leaving approximately $175,000,000 for all the other purposes of government, entirely apart from the war appropriation. It may be that in the expenditure of that $175,000,000 some economies could be introduced.

The leader of the opposition referred to the staff of the House of Commons and the staff of the Senate. Possibly you could reduce those staffs, but even if you cut those staffs in two, the saving effected in comparison with the whole expenditure would be negligible. When I say that I am not quarrelling at all with the principle which the leader of the opposition enunciated.

As to whether we should have one month's supply or two, my colleague the Minister of Finance will deal with that. I do not think the government can be fairly criticized because it has not had the estimates before the house up to the present time. It is true that we have had one very large estimate before the house in the appropriation bill which embraces a total expenditure of over $2,000,000,000. Certainly that has been fully discussed. We have spent from twenty-six to twenty-seven sitting days in discussing the war appropriation measure. And so, Mr. Chairman, I come to this conclusion, that while the speeches made by the leader of the opposition and the member for Lake Centre created an interesting diversion in the committee, I do not think they contributed very much to the business of the house.

Mr. HOMUTH: They certainly put the government on its toes.

Mr. CRERAR: If my hon. friend thinks that, he is entitled to get all the satisfaction he can out of it. We have the budget coming along, we have the amendment to the National Resources Mobilization Act, and the strong probability is that the house will not be through by the end of June—

Mr. HARRIS (Danforth): July.

Mr. CRERAR: If the house granted only one month's supply, it would mean that the Minister of Finance would have to come back at the end of June for another month's supply, but if we are granted two months' supply now we think we are reasonably sure of getting through. So that while the Minister of Finance may accept supply for one month or two months, I do think the house would be well advised to grant two months' supply.

Mr. ILSLEY: I am very glad that the leader of the opposition and the hon. member for Lake Centre made the speeches they did this afternoon. I want to congratulate them upon discharging their duty, although I cannot congratulate them upon the manner in which they did it or upon the time they selected for doing it. Sound and valid criticism of expenditure is a wholesome practice in this house, and I am sorry there is not more of it rather than less. From the Social Credit party we get nothing but advice to make greater and greater expenditures on the ground that money is easily obtained by government issue. From the Cooperative Commonwealth Federation party we get practically nothing in the way of a suggestion for economy of any kind.

Mr. COLDWELL: I take exception to that. We have suggested great economies in the cutting out of profit in connection with the war effort, where the greatest economy of all could be made. We want more in the way of social legislation, I grant.

Mr. ILSLEY: Larger expenditures by the government, but higher taxes.

Mr. COLDWELL: No.

Mr. ILSLEY: Higher taxes on the rich.

Mr. COLDWELL: On the rich, yes.

Mr. ILSLEY: That is a fair summary of the position of the Cooperative Commonwealth Federation party. I am glad that the Conservative party has at last started, even in this imperfect way, to discharge its historic responsibility, which is to criticize the expenditures of the government. It is true that this debate this afternoon is an old-fashioned one, if I may put it that way. It is the kind of debate to which I have listened many times in this house during the past fifteen or sixteen years.

Mr. PERLEY: And in which the minister has himself taken part.

Mr. ILSLEY: I have taken part in some of it myself. The practice usually pursued by the opposition is about as follows. In the first place there is a devastating onslaught on

the government, on general principles, for its total expenditures, just as was done this afternoon. When further dissent is invited to particulars, they show great adroitness in escaping any such temptation.

Mr. HANSON (York-Sunbury): Speak for yourself.

Mr. ILSLEY: This afternoon, for example, I was able to get only one concrete suggestion, and that was that we cut down in some way the number of messengers and others who are on the staff of the House of Commons. I said to myself when he had reached that point: now at last we are getting somewhere. I am grateful for the suggestion and I hope that members of the House of Commons will come forward with concrete suggestions of that kind.

Mr. GRAYDON: Will the minister accept them when they come?

Mr. ILSLEY: I will accept as many of them as are practicable, I can assure you, Mr. Chairman. I sincerely wish that members of the house on this side and in all the opposition parties would show a little more concern than they do about public expenditure.

Mr. HANSON (York-Sunbury): Would the minister allow me one question?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Does he think it is part of the function of an opposition in urging retrenchment to single out individual items when we have not the known facts in front of us. I do not think that is our function.

Mr. ILSLEY: Certainly it is. It is the function of the opposition, and it is what a courageous opposition would do. The easiest thing in the world is to do what certain newspapers have done and what the Conservative opposition has done this afternoon—just to take a lump sum and say: There is really no reduction in that lump sum, and there should have been.

I will tell the committee of an incident that took place a year ago when the estimates were in preparation. One of the great newspapers of this country which is strongly and sincerely in favour of governmental economy was criticizing the government, and fairly, from its point of view, for not having further reduced the main expenditures. I think the main estimates as then introduced were $432,000,000, and it was said that we should be able to reduce that total to at least below $400,000,000. About that time a great interest in this country which was generally supposed to be fairly close to the newspaper in question was making representations to the government and to treasury board, and curiously enough, just at the very time these editorials were coming out urging economy—it was before the estimates were tabled—the treasury board had before it no less than five submissions from the interest in question for specific increased expenditures.

Mr. GRAYDON: May we know what that interest was?

Mr. ILSLEY: No. I must say that they made a very good case for several of these expenditures, and increases were allowed in two or three cases. But the incident showed me that the easiest thing in the world to do is to say to a government: cut down your total amount of expenditure, and if you are not doing it you are showing a callous disregard for the principles which should be followed in time of war. But the hardest thing in the world to do is to select the specific items for reduction.

I want to thank the hon. member for Lake Centre for one remark he made this afternoon. He said that the country was willing to stand any weight of taxation at all. I am going to remind him of that later, and I am going to remind the members of the opposition of that statement later, assuming that he is reflecting the sentiment of the leaders of the opposition. My experience in this house has been this—

Mr. HANSON (York-Sunbury): Was there not an "if" attached to it?

Mr. ILSLEY: There was no "if". I can almost pick out the members now who, when we get into our estimates, are going to rise and condemn the government for the smallness of certain items in the estimates. I could remind hon. gentlemen of what they have done in this regard during the past three years. I could start with the hon. member for Peel (Mr. Graydon) and tell him what he wanted an increase in, and I could go back to the hon. member for Vancouver South (Mr. Green) who is a particularly serious offender in that regard. He is always advocating higher expenditures. I could go on to an hon. member from Toronto, who is particularly hard on increases in taxation, and so on. I could go over hon. members of the opposition and—

Mr. JACKMAN: Would the minister permit a suggestion? I do not take exception to what he has said; I do not know whether it is quite in accordance with the fact or not, but I would tell him this: If he wishes a concrete suggestion to decrease the civil expenditures of this government, and wants to know how I think it can be done, he can do exactly the

same as all citizens in Canada are having to do to-day; that is, the heavy taxpaying class who have not the income they formerly had, by reason of the fact that they have had to contribute so much more in taxation. If they are going to pay their taxes, as they must, then they must go over every item, and reduce, whether they think it is possible or not. If the minister will say that the civil expenditures of this government will not be $500,000,000 this year because the money is not there, but that they will be $450,000,000 or $400,000,000, he will find a method of doing it, the same as every other citizen in this country is finding a way.

Mr. ILSLEY: Just as I expected; I did not get a concrete suggestion.

Mr. HANSON (York-Sunbury): Perhaps the minister will let me give him one, then. In *Votes and Proceedings,* No. 69, brought down on May 21, there are certain questions with regard to the position of Mr. Adjutor Savard, with the Royal Canadian Air Force overseas. The minister's answer is that he was director of overseas press relations, Department of National Defence, whatever that means, and he was paid $5,800 per annum plus $10 per diem living allowance. I would suggest that there is a case where the minister could do something.

Mr. ILSLEY: The leader of the opposition thinks that is a good suggestion? That was paid out of the war appropriation.

Mr. HANSON (York-Sunbury): It does not matter where it came from. It came from the people of Canada.

Mr. ILSLEY: I know that.

Mr. HANSON (York-Sunbury): And it was wholly unjustified.

Mr. ILSLEY: It may be that there are salaries which are too high in the service.

Mr. HANSON (York-Sunbury): The whole position was unjustified.

Mr. ILSLEY: I will deal with the question of salaries at the proper time; but I wish to say that the government has been fighting salaries, not only in the government but throughout the country, harder than anybody else has been. We have been criticized by business interests, by parliament, and by persons in the service and out of the service because of the rigidity and the severity—what is sometimes called the cruelty and the unreasonableness of trying to keep the salary ceiling on.

Mr. FRASER (Peterboorugh West): That is in private business.

Mr. ILSLEY: Just a moment; if I am going to make a speech, then I cannot let everybody rush in when they have a stray thought.

Mr. FRASER (Peterborough West): Mine was not a stray thought. With respect to salaries, let us consider these dollar-a-year men. In a number of cases they are marked as not having any salary, but as receiving a living allowance of $20 or $25 a day. Would the minister tell me if those are taxable for income?

Mr. ILSLEY: Absolutely.

Mr. FRASER (Peterborough West): Are they?

Mr. ILSLEY: Yes; they certainly are; there is no doubt about it.

Mr. FRASER (Peterborough West): In all circumstances?

Mr. ILSLEY: Yes.

An hon. MEMBER: Only a portion of them.

Mr. ILSLEY: Oh, do not get on to the question of taxation of living allowances. No rule of the treasury board has been more resented than that one. It has been regarded as absolutely unfair and unjust. But it has been stuck to, on the ground that living allowances are in the nature of salaries. That is, actual expenses accounted for are not taxable. But if a person is paid a flat sum of so much a day, it is the same as if he were paid so much a year or so much a month, whether he calls it a living allowance, or whatever he calls it.

Mr. FRASER (Peterborough West): The government treats all living allowances on that basis?

Mr. ILSLEY: I shall have to disregard what the hon. member has said. I was going to complete my discussion with respect to what has been said by the opposition. I am not saying this with respect to any particular opposition. All oppositions are this way; I have seen it go on and heard it go on for many years. The programme, as I say, is to make a general attack on the expenditures of the government, in toto, and to run away completely from specific expenditures. On the contrary they attack the government, and then demand large expenditures.

Mr. HARRIS (Danforth): Mind your own business.

Mr. ILSLEY: Oh, the hon. member is losing his temper.

Mr. HARRIS (Danforth): No. We will look after our business, and you mind your own.

Mr. ILSLEY: Mr. Chairman, the hon. member is losing his temper. That is the first time in the house I have ever seen that come over the hon. member for Danforth.

The opposition this afternoon was discharging its duty, and I am discharging my duty now. I am putting this thing in its proper light. I am putting the whole position in its proper light. It must be remembered that this afternoon the government was accused of issuing false statements, and there was mention of issuing a statement which was wholly misleading. The government was accused of extravagance, and of asking people to do things which it was not prepared to do itself. This was done in a pretty highly efficient manner, I think, by the leader of the opposition and the hon. member for Lake Centre. I am putting the position exactly as I see it. The opposition makes its general attack, and then it runs away from a specific item or a specific suggestion. It attacks us for not spending more on this service or on that service. There will be a lot of items like that in these estimates.

Let us consider the imposition of taxation, that the hon. member for Lake Centre was so very brave about this afternoon. We shall have opposition from every member in the opposition with regard to some item or another, if we undertake to increase taxation. We had it last year; we had it the year before, and we shall have it this year. Just wait and see.

This discussion all started on a matter of interim supply. This is wholly within the control of the opposition, not of the government. If the opposition says that we can have no interim supply I will announce, to-morrow morning, that there will be no interim supply. If the opposition says that we can have one month's interim supply, then we shall have to take one month's interim supply. That month will soon be over, and in the latter part of the month of June we shall have another one of these pleasurable occasions. The hon. member for Témiscouata said this afternoon that this is the last time for him, and that he is not going to agree to the passing of interim supply again—until he has gone into the way in which we are passing our accounts. Then we can expect a midsummer debate, I presume, which will last some days on the question of whether the government is to be given another sixth or twelfth at the end of June.

In my judgment parliament is more and more on trial, at the bar of public opinion. There is something wrong with this House of Commons. I am not reflecting on the house, and I do not know what is the cause. But there is something wrong with it. I have asked myself, "Is this the fault of the government, in any way?" Someone rises in his place this afternoon and says that the government has not brought along its main estimates, and asks why the government has ignored parliament. They ask, "Why did they hold their main estimates up?" We placed our main estimates on the table of the house on January 21. We worked day and night to get our main estimates ready in order to put them before parliament, so that parliament would have something before it—if it could get to those estimates. Since that time we have not taken any time off. We have gone on and on; we have sat on holidays—at least, we sat yesterday, at any rate. We have carried out our business—and we have always had an accumulation of business pressing for the attention of parliament. I do not know of any way in the world to get everything before parliament, unless hon. members curtail their discussions or unless we sit all night, or something of that kind.

A lot has been said this afternoon about changing the rules. I believe it was the hon. member for Rosetown-Biggar (Mr. Coldwell), who said that the rules were obsolete and that we should change them. However, he made no suggestion as to the manner in which they should be changed, and his suggestion that the rules be changed did not meet with the approval of the leader of the opposition. The hon. member for St. Lawrence-St. George (Mr. Claxton) said that we should bring our rules up to date. I do not know what he had in mind, but I want to say this—

Mr. COLDWELL: May I say to the Minister of Finance that I did not think this was the proper place to make suggestions. I have suggestions which I could make.

Mr. ILSLEY: Whatever rules we adopt, we are not going to be able to consider more subjects in this house and get through faster unless there is less discussion on each subject in the house itself. Is it the government's fault that so much discussion goes on, that it takes so many days to get through a particular item? I tried just before the Easter recess to crowd the house a little. I will not do it again. If the government starts to crowd the house, the house crowds the government. That always happens. The moment we indicate to the house that we want to get ahead, we simply precipitate speeches about the right of the House of Commons to discuss matters and to discuss them thoroughly.

What has been the criticism this afternoon? Not that we have put too much before the House of Commons, but that we legislate by order in council, that we have used this power we have of doing almost everything by order in council to "emasculate the House of Commons", if I may employ the language of the hon. member for Lake Centre. If we were to bring along all the important measures which we transact by order in council there would not be, at the rate we are going, enough months in the year in which to get them through. We bring everything we possibly can to the house. We could have enacted our war risk insurance measure by order in council. We specifically had that power in the War Appropriation Act. It is contained not only in that act; in every war appropriation act since 1914 or 1915 there has been the specific power to bring into force a measure for war risk insurance. But out of respect for the House of Commons, and because the subject matter of war risk insurance is peculiarly a field which the house should occupy, I put the measure before them. Time after time we are confronted with these alternatives: Shall we bring this matter before the House of Commons, or shall we deal with it by order in council; and whenever we can, we bring it before the house. The result is that we have to wait from January 21 to some time in June to get our first estimates before the House of Commons. There is no way that we can avoid this unless we neglect something else. The House of Commons at the present time is discussing, as the leader of the opposition said, the biggest money bill which has ever been brought before it. We cannot bring peace-time estimates before the house at the same time as it is discussing the others. I have heard that in one legislature in the world two speeches go on at the same time for the purpose of effecting dispatch of business, but I do not suppose that this is the amendment of the rules which the hon. member for Rosetown-Biggar has in mind.

So here we are. In what way is the government wrong? What could the government have done?

Mr. HANSON (York-Sunbury): The minister said that just before the Easter vacation he undertook to crowd the House of Commons. I should like to ask him if he did not get pretty good cooperation from hon. gentlemen on this side of the house.

Mr. ILSLEY: I got very good cooperation before Easter, but I felt that I would have been further ahead if I had not tried to push quite as hard as I did. We are strongly indisposed to tell the house to stop its talk and get ahead, because we do not think we have quite the right to say that. I am simply remarking that I do not know what the government could have done to get these estimates before the house.

Mr. HANSON (York-Sunbury): I will tell the minister one thing they could have done. They need not have had the plebiscite, or the long adjournment at Easter.

Mr. ILSLEY: The hon. gentleman is opening up a very important question of policy, as to which opinions differ, but it seems to me that when an issue of this sort is being discussed, that is scarcely the kind of argument which should be advanced.

One hon. member, I believe the hon. member for Rosetown-Biggar, said that possibly it was the fault of the opposition. I think that if there were one opposition instead of three oppositions, it could organize its work much better than can possibly be done at the present time.

An hon. MEMBER: Do not suggest an amalgamation!

Mr. ILSLEY: There will be no danger of that. I quite realize that it is just about impossible for three oppositions to coordinate—

Mr. ROWE: Five.

Mr. ILSLEY: —their laudable efforts. If the Conservative opposition were to select their critics on certain features of the government policy and assign them to their tasks, as the Cooperative Commonwealth Federation does; if they were to do that, and I do not see any evidence that they do—

Mr. HANSON (York-Sunbury): The hon. gentleman does not look very far.

Mr. ILSLEY: —they would not get very far, because a Conservative speaker would take up one line; when he sat down a Cooperative Commonwealth Federation member would come in on a totally different tack; then a Social Crediter would come in; and inevitably with these three oppositions we must have a very much disorganized opposition to the government policy. I said at the beginning of the session that I wondered if these parties thought it was the responsibility of the government to organize them. We did not think it was.

It all comes to this: I do not know what the government could do that they have not done. This afternoon we have been told that we are derelict in some respects. In what respects? In what way are we derelict about these estimates? There was no way in

which they could have been placed before the house for discussion without crowding out other government business.

Mr. HANSON (York-Sunbury): Does the minister suggest there was any way that we could have brought them before the house, when the government took away all private members' rights?

Mr. ILSLEY: No; I am not suggesting anything like that. The hon. member for Témiscouata—

Mr. COLDWELL: He is the "unorganized opposition" on the government side.

Mr. ILSLEY: The hon. member for Témiscouata asks two questions. The first is, is the government prepared to see that the auditor general changes his report so that all expenditures below $35,000 are reported on fully?

Mr. MacNICOL: Just the same as they were a few years ago.

Mr. ILSLEY: I am sorry that I am not aware of the terms of the rule which now prevails in regard to the production of these reports. The auditor general, it must be remembered, is an officer of parliament, and I assume that he presents his reports to parliament in a manner which he thinks is sufficient. I believe I have heard it said that if all expenditures were detailed in the way they were some years ago, an enormous number of volumes would be necessary for their presentation to parliament.

Mr. COLDWELL: Does the minister not think that is a proper matter to be referred to the public accounts committee, so that the auditor general might explain the situation to the committee, and parliament might determine whether the reports are satisfactory or not?

Mr. HANSON (York-Sunbury): Did not the Prime Minister make the promise to which the hon. member for Témiscouata referred? If he did, he must have some responsibility in the premises.

Mr. ILSLEY: Well, I did not make the promise myself and was not present when it was made, if it was made, and I cannot answer that. As to whether the question of the form which the auditor general's report should take should be left to the public accounts committee, I do not know whether that is a function of that committee or not. I thought the main function of the public accounts committee was to review and probe expenditures which appear in the auditor general's report.

[Mr. Ilsley.]

Mr. COLDWELL: The auditor general cannot appear before this parliament, and therefore we have no opportunity to inquire as to the form and find out whether it is satisfactory or not. The public accounts committee might do it.

Mr. ILSLEY: It might very well. I have not given any consideration to that.

The other question was, why do we not present detailed estimates of our war expenditures, as they do in the United States of America? The book which was produced today is a very thick book. What it contains, I do not know; whether peace expenditures or war expenditures or both, I do not know. I have not seen it. But when we were presenting our estimates of war expenditures to the House of Commons, we considered that we should be very careful of the possible consequences. These estimates, it must be remembered, give a picture of the military plans of the government. When I introduce the war appropriation bill I put on *Hansard* a brief summary of the war estimates of the government. If hon. members wish that the amounts and the brief summary should be broken down, consideration is given to the request; and if they can be further broken down without revealing information which should not be given—I mean, from the point of view of the public interest in the real sense —that further information is supplied.

Mr. GREEN: In that connection, we have had a break-down of the amounts for the army, the navy and the air force, but no break-down of other items. Could such a break-down be placed on *Hansard*? There are several other departments which get a share of the money provided by the war appropriation bill, but we have had no details as to how that money is spent.

Mr. ILSLEY: It is a good deal easier to ask for a break-down than it is to define a break-down. Break-downs are asked for, and sometimes the person asking thinks that compliance is entirely inadequate. If an indication were given as to the items that were required I do not see any objection.

Mr. GREEN: Take, for instance, the minister's own department, the Department of Finance. Could the expenditures of that department under the war appropriation bill not be broken down—so much for such and such an item, so much for something else, and so on. No one is asking for information which should not be disclosed.

Mr. ILSLEY: If anyone wants that further break-down, I think a further break-down would be possible.

Mr. GREEN: Could that be done with each department? It would greatly simplify questioning in the house.

Mr. ILSLEY: If the request were specific, I do not see why more could not be done, but the request should be specific and it should be made, I was going to say, by the leader of the opposition; otherwise every hon. member would want something different.

Mr. HANSON (York-Sunbury): I have given some consideration to that point, and I am impressed with the statement the minister made, that estimates are a summary of the government's war plans. I therefore hesitated to ask for greater detail on the theory that perhaps it would not be in the public interest to do so. I am between two opinions. I do not know enough about the question to come to a conclusion, and I should not be blamed for not pressing the matter, because I have not convinced myself that it is the proper course. But there are certain estimates in connection with which more details ought to be given as a matter of course. I will ask the minister in future to give some consideration to that aspect of the situation and to bring down if possible, if it is not against the public interest, estimates in more detail so that members may have them in advance to study them. We do not get them in sufficient time to study them, nor do we get them with sufficient detail. I do not intend to delay the passage of the one-twelfth estimate. I will ask the minister to accept that. This discussion will do some good, both in the house and in the country, and I will ask him to accept the one-twelfth interim supply to-day.

Mr. ILSLEY: I have no option but to accept it. I cannot do anything else; it is as the opposition says. I do not agree with the leader of the opposition at all. I think we would be further ahead in every way if we had two months supply instead of one, but I have no option but to accept the latter.

With regard to civil expenditure economies, as I said, one cannot take totals and compare them; one must deal with specific individual items, and believe me, the last minister of finance, who was minister from the beginning of the war, now Minister of National Defence (Mr. Ralston), did an almost incredibly efficient job in reducing the estimates for civilian expenditures. I have tried to carry on along the same line and have asked the public to cut out unnecessary expenditures, and I realize that the government must be prepared to show that it is practising what it preaches. I would not say in thousands, but in hundreds of items, therefore—in connection with every possible item—a considerable amount of time has been devoted to the preparation of the estimates, more time indeed than members of the house have any conception of. I will change the motion, dividing the figures in two, and will ask that they go through.

Motion as amended agreed to.

Resolutions as amended reported, read the second time and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Fournier (Hull) in the chair.

Mr. ILSLEY moved:

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1943, the sum of $19,952,242.11 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported, read the second time and concurred in.

Mr. ILSLEY thereupon moved for leave to introduce Bill No. 81, for granting to his majesty certain sums of money for the public service of the financial year ending March 31, 1943.

Motion agreed to, bill read the first and second times and the house went into committee thereon, Mr. Fournier (Hull) in the chair.

Sections 1 and 2 agreed to.

On section 3—Additional interim vote of $550,655.91 granted for 1942-43 on certain items.

Mr. HANSON (York-Sunbury): The minister asks for $19,401,586.20, and then in section 3 the half of $1,101,311.83, and the schedule refers to certain specific votes totalling $6,607,871. Why these particular items? Do they have to go through now, and are there funds to cover the others? I do not understand the *modus operandi.*

Mr. ILSLEY: I am sorry, I do not know either. If it is important, it will have to stand.

Mr. HANSON (York-Sunbury): The minister will give it at a later stage perhaps, just for information.

Mr. ILSLEY: Yes; I will give it at a later stage.

Mr. HANSON (York-Sunbury): Is this item for agriculture in addition to the amounts voted in the estimates last year?

Mr. ILSLEY: The amount voted last year was $35,000,000. That was not all spent. I do not know how much was spent.

Mr. HANSON (York-Sunbury): But this is a new vote in addition to what was spent last year?

Mr. ILSLEY: That is right.

Section agreed to.

Section 4 agreed to.

Bill reported, read the third time and passed.

CANADA EVIDENCE ACT

AMENDMENT TO MAKE PHOTOGRAPHS OF BOOK ENTRIES ADMISSIBLE IN EVIDENCE

The house resumed from Friday, May 22, consideration in committee of Bill No. 66, to amend the Canada Evidence Act—Mr. St. Laurent—Mr. Fournier (Hull) in the chair.

On section 1—Definitions.

Hon. L. S. ST. LAURENT (Minister of Justice): When section 1 was called the other day I stated that there were some amendments that were being suggested to extend the provisions to railway, telegraph and express companies and insurance and trust companies. I was under the impression that my colleague the Minister of Fisheries who was beside me at the time had moved the amendments. The amendments were discussed, but I find on reading *Hansard* that it does not appear that a formal motion was submitted. I will ask my colleague the Minister of Mines and Resources (Mr. Crerar) if he will be good enough to move the amendments.

The amendments were read on the former occasion and noted by hon. members who were present at the time. I have a copy for the leader of the opposition (Mr. Hanson). They are included in *Hansard,* although no formal motion was submitted.

Mr. CRERAR: I move the following amendments:

Clause 1, lines 9 to 12: strike out paragraph (a) and substitute therefor the following,

"(a) 'corporation' means the Bank of Canada, every bank to which the Bank Act applies or to which the Quebec Savings Banks Act applies, and each and every of the following carrying on business in Canada, namely, every railway, express, telegraph and telephone company (except a street railway and tramway company), insurance company or society, trust company and loan company (except a company subject to the provisions of part II of the Small Loans Act, 1939);

(b) 'government' means the government of Canada or of any province of Canada and includes any department, commission, board or branch of any such government;"

2. Clause 1, line 13: strike out "(b)" and substitute therefor "(c)";

3. Clause 1, line 17: strike out the word "bank" and substitute therefor the words, "government or corporation";

4. Clause 1, line 21: strike out the word "original";

5. Clause 1, line 21: strike out the words "a bank" and substitute therefor the words, "any government or corporation";

6. Clause 1, line 25: strike out all the words after "any" to the end of line 27 and substitute the words "government or corporation";

6a. Clause 1, page 2, line 2: strike out the word "original";

7. Clause 1, page 2, lines 4 and 5: strike out the words "bank, department, commission, board or branch" and substitute therefor the words "government or corporation";

8. Clause 1, page 2, lines 9 and 10: strike out the words "bank, department, commission, board or branch" and substitute therefor the words "government or corporation";

9. Clause 1, page 2, line 14: strike out the words "bank, department, commission, board or branch" and substitute therefor the words, "government or corporation".

Mr. HANSON (York-Sunbury): I regret that I was not here when this matter was under discussion last week. That is, of course, my fault.

The object of this bill is to alter the common law, or the practice, of eight of the Canadian provinces, and, I assume, the practice of the province of Quebec, with which, of course, I am not familiar, by amending the Canada Evidence Act with respect to these matters which are within the jurisdiction of parliament. Having regard to the fact that the same kind of legislation is to be presented to the legislatures of the provinces, there may be uniformity of practice in all jurisdictions.

The law of evidence is a very technical law. It is one of slow growth, and has grown up over many years. Those who are practising lawyers know that no matter how much theory you may have in your mind with respect to the law of evidence, if you are not an efficient trial lawyer you are not able to put into practice the theory which is comprised within the law of evidence.

One of the fundamental things is what is called the best evidence rule. Of course that is based on reason, that the best evidence in the trial of an issue should be the only evidence that a court shall receive. Because at times there is difficulty—I appreciate that

what I am saying is very elementary—because at times the best evidence is not immediately available, all sorts of efforts are resorted to in order to provide for the admissibility of secondary evidence. This bill is but an extension of that practice which has grown somewhat in recent years.

My understanding was that this bill as originally drawn was the result of an agreement between the representatives of the various provinces gathered at the annual meeting of the Canadian Bar association with the idea of having uniformity of legislation throughout the various provinces, including, I assume, the province of Quebec. With respect to any legal matter affecting that province I speak with the greatest deference because I really am not qualified to express any opinion.

In theory and practice uniformity of legislation in the various provinces is a proposal that I have always commended and supported. I agree that many substantial results have been obtained through the committee which has been set up by the Canadian Bar association. We have now standard acts covering the bulk sale of goods and various other matters to which I might refer in which the laws of the provinces approach uniformity. That was the basis of the inception of this legislation.

When the legislation was brought in, it was very much limited in its scope and rather innocuous. The amendments that are now proposed are extensive. I am fearful of change just for the sake of change itself. I realize that it will make things somewhat easier for certain corporations in this country to be relieved of the responsibility which the laws at present impose upon them with respect to the preservation of their records. But we all have responsibility imposed upon us. I have in my own office a book of practice extending now forty years back and files extending back for forty years, and more than that. I am glad to think that my firm goes back a good many years prior to that. While I cannot say that we have all the old records of the predecessor firm, we have a good many of them and they have proved very valuable. While they would not perhaps be in the same category as the records of a bank or big corporation, they are of some importance and occasionally we have had to refer to them. That is one responsibility that attaches to your business. So I say that unless there is an imperative need for change in this particular case, we should not agree to change just for the sake of change itself.

I can understand that from a working point of view the records in an institution like a bank must accumulate and constitute a tremendous volume as the years go by, but that is a responsibility which they assume for being in business. The cost of accumulating and preserving these records in good condition is part of the cost of operating their business, just as any other business has its responsibilities. Whether it is advisable to relieve the banks of this responsibility it is for the minister who has given much more thought to it than I have and can perhaps express a better opinion than I can, to say. But there is a fundamental objection to making it easier to prove cases in a court of law by evidence that is not the best evidence. We know of many a battle over the admissibility of evidence in important legislation, where some litigant confronted with a certain situation has not been able to present the evidence which the law required and in all kinds of cases, I shall not say has resorted to questionable methods but has certainly used great resourcefulness in endeavouring to get around the carrying out of the best evidence principle.

This bill is an effort to make that sort of thing much easier. Where is it going to stop? This legislature, as far as the Canada Evidence Act is concerned, I suppose could make hearsay evidence legal evidence, although it would never be convincing evidence because it violates our powers of reasoning. Hearsay evidence can never be convincing evidence, and yet how many people accept hearsay evidence as true, real evidence.

I suggest that the minister is going a long way in making this change which has not been passed upon by the experts—I will so call them—who gather at the annual conference of the Canadian Bar association and sit on the committee on uniformity of laws. I understand that they have not recommended these additional amendments and were consulted only with respect to the original proposal.

Mr. ST. LAURENT: The amendments would not become effective until concurred in by the legislatures, so that there is no urgency about the matter.

Mr. HANSON (York-Sunbury): If that be so, there is no great urgency to pass the amendments to-day or this session.

Mr. ST. LAURENT: No; there really is no urgency to pass the amendments because they will not become effective until they have been concurred in by the legislatures. If the hon. member feels that this house should not take the lead in any of these steps towards uniformity, no public interest would be prejudiced by our not adopting the amendments at this time.

Mr. HANSON (York-Sunbury): I am thinking particularly about criminal evidence. The provincial jurisdictions really have no right to legislate in respect to that, have they?

Mr. ST. LAURENT: No; but this kind of evidence will be used only if the originals have been destroyed. None of these companies will take the risk of destroying its originals until all the legislatures which have jurisdiction to deal with the custody of these originals have passed legislation to provide for photographic copies to be used as evidence.

Mr. HANSON (York-Sunbury): That would be the proper way. I do not like to take the responsibility of asking that the amendments be not considered now. But my reaction from the very beginning with respect to this bill has been that it is a departure from well-established practice and that the change ought not to be made unless there are most cogent reasons why it should be made. The reasons advanced, as I understand them, are that it is a matter of convenience to the banks.

Mr. McNIVEN: And expense.

Mr. HANSON (York-Sunbury): And some expense, but I do not attach much importance to that. The most important part of it is the fact that it may be difficult to prove the proper custody of documents; but my recollection is that if they come from a proper source, proof can always be given by a proper officer.

One of the greatest objections to the principle of this bill is that the progress which modern scientific photography has made may enable it in cases of fraud or collusion to defeat the ends of justice. I am not suggesting for a moment that any reputable institution like a bank or telephone company or trust company would for a moment be a party to anything of that kind, but we do know the resourcefulness of the human brain and what human ingenuity can do. I have taken part in litigation where photographs were an important consideration in respect of the evidence. I am sure that nearly every member of the legal profession has been engaged in accident and collision cases arising out of the use of automobiles. It is marvellous what a photographer can do toward making a position appear just a little different from what it actually is, if he is adroit—and to-day many of them are adroit. I do not wish to take the responsibility of holding up the bill as originally drafted, but I suggest that the proposed amendment might stand.

Mr. MARTIN: I should not like to pit my legal knowledge against that of the leader of the opposition—

[Mr. St. Laurent.]

Mr. HANSON (York-Sunbury): That would not be difficult.

Mr. MARTIN: Oh, I think the leader of the opposition is much more eminent at the bar than he is prepared to admit. The fact is that I am inclined to give my support to this measure, and I should like to hear from the Minister of Justice. I missed his remarks of last week.

I rise first of all to ask the minister to tell us in what other common law jurisdictions, other than in some of the provinces, this practice prevails. For instance, what is the practice in the United Kingdom and in the United States? I believe there is a great disposition on the part of members of the legal profession, and particularly some very eminent jurists, to regard our laws of evidence, generally speaking, as deserving of great relaxation. There are many instances when the rules with respect to hearsay evidence could easily be broadened. I believe we have adhered to a strict regime unnecessarily, and one which in many instances works considerable injustice.

My purpose in rising is to ask the Minister of Justice, if he has not already done so, to tell us what the practice is in the United States, where litigation is much more intensive than it is with us. I believe the experience in that country would be of some value. My impression is that in England, if they have not gone quite this far they have gone pretty far in admitting copies of documents.

Mr. HANSON (York-Sunbury): Anything can be done by consent.

Mr. ST. LAURENT: In a supreme court judgment in the United States, in December, 1939, the admissibility of what are known as recordaks was asserted and confirmed. These recordaks are photographing machines to retain on film the impression of cheques. They were admitted by the court in the case of the United States v. Martin T. Manton, the justice of the court in New York, who got into difficulties. In his trial a question arose with respect to the legality of evidence of the fact that cheques had passed through the banks and had been paid.

The purpose of this legislation, as originally drafted by the commissioners on uniformity of legislation, sitting in conjunction with the Canadian Bar association, was to allow microfilm to be made of old records. The reason was that on one film could be placed the material of 2,600 letter-sized sheets, and a film could be made, I am told, at a cost of $7. In other words, less than one-

thousandth of the space is required to conserve the record, and if at any time it is required, the microfilm can be thrown on the screen and enlarged. If it is required for the purpose of evidence in court, an enlarged print can be made. The bill provides for the making of an affidavit at the time the old record is photographed and destroyed. Therefore the print made from the microfilm, and the affidavit, can be admissible as evidence, not of the facts but of the documents destroyed.

The suggestion was made by these utility companies that although the five provinces which have already adopted this principle, in their provincial evidence acts, have not gone beyond the original recommendation, if they were included in the act passed by parliament they would be able to get concurring legislation from the legislature, and would, after having obtained concurring legislation, get the benefit of being able to conserve records on the microfilms, instead of having to provide the storage space now required to take care of them.

Therefore the amendment is not one of urgency, because no one will venture to use it until one or other of the legislatures has adopted it as a rule of evidence in the province concerned. But with respect to the bill as originally submitted may I point out that already five legislatures have passed concurring statutes.

Mr. MARTIN: But not covering the present amendment.

Mr. ST. LAURENT: No. Therefore, if in this committee it is considered that it is not desirable to go beyond what has already been adopted by the five legislatures, the amendment can be dropped and the bill passed in its original form. If, on the other hand, there is no objection found to taking this lead—and in the department it was not felt that the practice would be objectionable—

Mr. MARTIN: What does the minister think about it?

Mr. ST. LAURENT: I do not think there can be any serious objection to this practice, because of the kind of institutions the bill contemplates. Those institutions are going to be very careful, because if they take the risk of destroying records they are going to be careful to comply with all the conditions, so as to justify the destruction of the records.

It is suggested that at this time full storage space cannot be provided. The controllers in the Department of Munitions and Supply will not authorize the use of materials for such purposes, and the reducing by means of film seems to be a desirable end to accomplish. I have heard the leader of the opposition say that he has files going back for forty years, and although my practice has not been quite that long I believe both he and I have found that there is a very large accumulation.

Mr. HANSON (York-Sunbury): There is, yes.

Mr. ST. LAURENT: If we were to go on, not for the usual span of one man's life, but as a corporation, for a very long time, it would be convenient to be able to compress that material into one one-thousandth of the space. If we found it practicable to do so at a cost of only $7 a film, we would probably be effectuating a saving in that way.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. NICHOLSON: I should like to present a point of view that has not been discussed so far and ask the minister whether he has any information from the different companies concerned as to the amount of space that might be released and the number of tons of paper that might be salvaged if this measure goes through. My reason for raising the question is this. I have visited the bureau of statistics and the post office branch where this principle is at work, and I was impressed with the large volume of space which has been released since the practice has been introduced.

While I appreciate the points which have been raised by some of the learned members of the house I think that companies like express, insurance and telephone companies and banks which operate under charters granted after considerable investigation could scarcely afford to run the risk of falsifying their records with a view to their own advantage in evidence which they might later wish to present. If I remember correctly, the Post Office Department advised me that all the letters that could be contained in two filing cabinets of four drawers could be photographed on a film four inches by four inches by one inch, and in view of the storage space that would be made available as well as the number of tons of paper that might be salvaged I think the amendments proposed should be accepted. Certain risks will be involved, but we also run the risk of not winning this war, and much of this evidence would be of very little value to us if we did not win the war. In view of the growing shortage of paper in this country and the shortage of filing cabinets

which are more necessary for a great many other uses, I think the committee would be well advised to support the proposed amendments. Has the minister any information from these companies as to the number of filing cabinets and the number of tons of paper that might be made available under these amendments?

Mr. ST. LAURENT: I have not precise information beyond the statement that it is very considerable and that the use of these microfilms would reduce to about one-thousandth the space that is at present required to store the original records.

Mr. NICHOLSON: That means that a thousand filing cabinets now in use might be released for more essential purposes and the information contained in them recorded in one filing cabinet. Is that it?

Mr. ST. LAURENT: I would not say that it would be one filing cabinet, but a document photographed on microfilm would not occupy more than one-thousandth of the space the original record occupies.

Mr. POTTIER: The bill and the amendment deal with the Canada Evidence Act under the heading, "documentary evidence." Section 19 of the act refers to copies by king's printer; section 20, imperial proclamations; section 21, proclamations of the governor general; section 22, proclamations of the lieutenant-governor; section 23, evidence of judicial proceedings; section 24, official documents of Canada; section 25, books and documents of a public nature; section 26, entries in books kept in offices under the dominion government; section 27, notarial acts in Quebec; section 29, banker's books. That provision regarding banker's books is the only departure from any government, judicial or public document referred to in the Canada Evidence Act under the heading, "documentary evidence."

What we propose to do by this amendment, not the bill as first presented, is to add entries in books kept by railway companies, express, telegraph and telephone companies, insurance companies, trust companies and loan companies except a certain kind of loan company. I suggest that we are going a bit afield under the amendment itself that has been proposed by the Minister of Justice, and that the thing to do at this time would be to pass the bill as originally submitted without the amendment. Let us try it as an experiment, if I may use that word, rather than bring into the Canada Evidence Act the possibility of all sorts of evidence that was never contemplated by the framers of the act. I suggest that we should stick to the bill suggested rather than press the amendment.

[Mr. Nicholson.]

Mr. ROEBUCK: Mr. Chairman, I did not have the advantage and the privilege of listening to the debate when this matter was before the house on a previous occasion, and so perhaps I am at a slight disadvantage, but I want to say a word of commendation of the proposed change. The leader of the opposition has said that we should not make changes, particularly in fundamental laws, just for the sake of change, and I agree with him in that statement. At the same time we should not resist change just for the sake of preserving old forms, once it is evident that the old forms are not entirely satisfactory.

I have myself seen progress in the matter of court procedure. In the short span of one life considerable changes have taken place. If we go back in history, we shall observe that our court procedure to-day is very much changed compared with what it was one hundred years ago. There was a time when we refused to hear the parties to a suit. The litigants themselves were debarred from giving evidence because the idea was held that the rascals would lie about the case, having a special interest in it. So cases had to be proven without the assistance of those most interested and most intimately in touch with the matters in hand. There was a time when men were put on trial and not allowed to testify in their own defence. They had to bring somebody else to give evidence for them. We have progressed greatly since that time, and largely by a process of making changes step by step for the mere purpose of convenience. Our present system of rejecting all hearsay evidence and insisting on the best evidence only is perhaps a salutary regulation, but it is the cause also of considerable inconvenience. Men in their private capacity and in their business often act upon secondary evidence and form their opinions, and sometimes very accurately, on hearsay evidence. Perhaps we could leave it to courts to give the right weight to evidence if it is secondary and a greater weight to evidence if it is first hand, and relax to a certain extent the rigid rules of evidence to which our forefathers adhered.

This bill is a matter of convenience. It is true that when you relax the severity of your regulations you may open the way for crooks to deceive you. But in life we do that. We do not run our lives on strict rules; we do the best we can and arrive at pretty sound conclusions.

It seems to me that this bill would be real progress because it will not only allow banks to destroy evidence by keeping photographic impressions of previously existing evidence, but also record evidence which

inevitably will be destroyed. For instance, when a cheque is returned to the drawer it is probably lost to the bank and lost to the parties to some later cause. It has gone into private hands. But if this bill were passed, as I understand it, a photographic copy of the cheque could be kept, if desired, and be a permanent record in the hands of the bank. This would be a convenience.

My hon. friend who preceded me used the word "experiment". He said he was diffident about making an experiment in a matter of courts. Well, all life is a matter of experiment, and all progress must involve some element of experiment. We cannot positively know how things will work out until they are tried, and the trying is an experiment. I do not think we should be afraid of making experiments because, if they do not work, we can go back to the old scheme. If this rule of evidence is found to be too loose, and is abused—I do not think it will be—it could later on be abolished, and we would have added at least that item of experience to our own knowledge.

So I am in favour of this bill as it stands.

Mr. HANSON (York-Sunbury): Does the hon. member suggest that it should be limited to being made prima facie evidence and therefore rebuttable? Would that not be an additional safeguard?

Mr. ROEBUCK: Was that question directed to me?

Mr. HANSON (York-Sunbury): Yes.

Mr. ROEBUCK: Would it make any change? If a document were proved by the production of a photographic copy, it could still be proved not to be a true record.

Mr. MARTIN: That could happen to any production.

Mr. ROEBUCK: Of course, it could happen to an original document. Facts stated in a document are rebuttable; that is, evidence can be brought to court to show that the facts stated are not true; and also evidence can be brought to show that the document itself is not what it purports to be. I was thinking that perhaps some provision might be made to ensure honesty in the matter of photographs, because, as the leader of the opposition has pointed out, photography can be used to perform tricks; it is not always just what it seems. One might make a false photograph of a true document.

Mr. MARTIN: There is subsection 3.

Mr. ROEBUCK: Does subsection 3 cover it? It may be covered here, but if it is not covered in the bill itself, the making of a false photograph of a document and bringing it to court as evidence of the document itself would be forgery.

Mr. HANSON (York-Sunbury): Absolutely.

Mr. ROEBUCK: It would be attempting to make something appear that which it is not, and that is forgery. So my point is covered, I think, in the criminal code if not in the bill itself.

Mr. GREEN: The proposed amendment extends these privileges to several different types of company. Could the minister tell us whether there would be very many companies or comparatively few? For example, the following words are used, "insurance company or society." Evidence was given this morning before the banking and commerce committee that there are several hundred small insurance societies in the province of Quebec, and the same may be true of some of the other provinces. I assume that, under the wording of this amendment, all these societies would be entitled to this privilege, and I think it would be interesting to the committee to know whether the amendment will mean that several hundred companies will have this privilege, or only a few. The same is true of loan companies; there must be very many of them in Canada, and the words in the amendment are simply "and loan company." That may cover a great many companies.

Mr. ST. LAURENT: I imagine that the amendment as drafted would extend to a great many companies. It would extend to all the companies registered under the various provincial insurance acts and to the loan companies similarly registered. I am not sure about all the provinces, but I know that in many of the provinces the loan companies are required to register and to have a licence similar to the licence required to do business as an insurance company. It would extend to those companies but would not be made use of by them until there had been concurring legislation by the province in which they operated.

Mr. GREEN: Well, under the criminal code it can be used?

Mr. ST. LAURENT: For purposes of evidence in criminal trials it could be made use of immediately, but only in cases where the originals had been destroyed; and it would be surprising if those in charge of any company took it upon themselves to destroy the originals unless they had legislation, both under the Canada Evidence Act for the purpose of trials to which that act applies, and

under provincial statutes for the more numerous cases to which the provincial evidence acts apply.

Mr. GREEN: Why has the line been drawn where it has been drawn? For example, why should other types of companies not be included? With regard to utility companies, a telephone company has this privilege but a street railway company has not. Why this picking and choosing? It does not seem to be sound law.

Mr. ST. LAURENT: The explanation, whether it be a good one or not, is that after the bill was introduced, the two large railway companies, the Bell Telephone company, and several insurance companies, represented by the Canadian Life Underwriters' association, came to the department and asked if the same provision could not be extended to them. The officers of the department communicated with the Department of Transport to ascertain if there would be any objection to its being extended to railway companies and were assured that there did not seem to be any objection. We communicated with the superintendent of insurance, and he seemed to be of opinion that it would be a useful provision to allow the insurance companies under his jurisdiction and supervision to have this privilege of destroying voluminous records and replacing them with something more compact.

Mr. GREEN: Will companies which are not under his jurisdiction also have the privileges given by this bill?

Mr. ST. LAURENT: It was drawn in this way because it was not felt that there should be a statement here that it would apply only to the insurance companies registered with the superintendent of insurance. That was for a reason which perhaps is not a very serious one, but the hon. member knows what conflict there has been between provincial and federal authorities over insurance companies, and we did not want to give the impression that we were taking some roundabout way to try to bring a larger number of provincial companies to register with the federal authority. That may not be a very good reason, but it was desired to avoid the risk of a contention that we were taking a roundabout way to encourage provincial companies to come under federal inspection and jurisdiction.

Mr. MARTIN: Does this cover trust companies?

Mr. ST. LAURENT: Yes. Trust companies, as the hon. member knows, are also required under, I believe, all the provincial legislation to be registered with the provincial authority.

Mr. HANSON (York-Sunbury): That is, those incorporated under provincial law?

Mr. ST. LAURENT: Yes.

Mr. HAZEN: I would call attention to the wording of a part of section 29A, subsection 2, which reads:

a print, whether enlarged or not, from any photographic film of . . .

Certain documents.

. . . shall be admissible in evidence. . . .

The words are "a print, whether enlarged or not." The Minister of Justice has told us that you can get on 200 feet of film, which would be twenty-four inches, 2,700 letter-size documents. If you can get 2,700 full letter-size documents on 2,400 inches of film, it means that the document will be smaller on the film than an inch in size, and consequently if a print that is not enlarged is taken from one of these films, you will get a print of a letter that is less than an inch in size. Nevertheless, according to the wording of this section, you can put that print in evidence. A print, "whether enlarged or not", "shall be admissible in evidence." What is the judge going to say if there is submitted to him, to be put in evidence, a print of a letter less than an inch in size? It would not clearly show the signatures, and therefore one would have to get a microscope to examine it. As the section stands, however, the judge would have to receive that in evidence. I suggest that the section be amended to provide that a print, enlarged to the approximate size of the original document, shall be admissible in evidence; otherwise you can put in evidence a print that is less than an inch in size, of a letter which I presume might be on a letter sheet about ten or twelve inches in length.

Mr. ST. LAURENT: I should imagine that the lawyers engaged in any trial would take proper means of making their evidence intelligible to the judge who was to determine the issue. I would take it that if a document were drawn in Chinese it would have to be admissible in evidence, but if I were on the case and wanted to use it I would take some means of making it intelligible to the judge who had to determine the case. I do not think the language suggested by the hon. member would be entirely appropriate in all cases. There may be photostats that would be of the appropriate size and would not be enlarged. In using the microfilms there would be occasion for producing an enlargement, and I think we can rely on the usual practice of lawyers conducting cases to see to it that what they submit is not only admissible but submitted in such a form or with such aids as to make it of value in determining the issue, just

as, if it were a document in a language unknown to the court, they would accompany it with a translation properly proved. I think the practice now existing, in my province at least, by consent is to leave with the court, instead of original documents, photostats that are usually of the exact size of the document photographed.

Mr. HANSON (York-Sunbury): That is done for convenience.

Mr. ST. LAURENT: It is done for convenience. As regards the objection of the leader of the opposition that perhaps these prints might serve as prima facie evidence, the bill does not purport to say what value they would have. They are merely to be admitted, not as evidence, but in evidence. They do not establish the fact but are admitted in evidence for whatever they are worth.

Mr. HANSON (York-Sunbury): They go to admissibility but not to weight of evidence?

Mr. ST. LAURENT: That is correct.

Mr. JEAN: Would the minister clarify the meaning of this provision? The amendment reads:

> . . . shall be admissible in evidence in all cases in which and for all purposes for which the object photographed would have been received upon proof that—

—the object photographed was subsequently destroyed by or in the presence of one or more of the employees of the bank, and so on. Does this mean that an employee of the bank or of any company concerned would be authorized to destroy a document after it had been photographed, without the consent of the party who had signed the document?

Mr. ST. LAURENT: The bill does not purport to affect the rights of third parties at all, but affects merely the obligation of the custodian to have the original available to be put in evidence if required.

Mr. JEAN: Should that not be made clear in the bill? As the section now stands, an officer of the company has the right to destroy a document without the consent of the party signing it.

Mr. ST. LAURENT: The bill does not purport to authorize the destruction of any document. It purports to authorize the use of a photographic copy if the original has been destroyed. But it gives no right to make evidence of originals which have been destroyed.

Mr. HANSON (York-Sunbury): Does the minister desire to proceed with the amendment?

Mr. ST. LAURENT: When the committee rose at six o'clock it seemed that hon. members then present thought it would not be desirable to proceed with the amendment, but in the discussion this evening there seems to be a desire that it be retained. The situation is this. The amendment will not immediately become operative, because none of these companies will take the risk of destroying their records until they have obtained concurring legislation from the provincial legislatures. Those companies that asked that they be included stated that they would attempt to get concurring legislation from the provincial legislatures, realizing that if they did not they would not be in a position where they could afford to take the risk of destroying the originals. Therefore there is no urgency about the amendment; it could be left and dealt with on another occasion if provincial legislatures do enact legislation in that form. If the amendment is not passed at this time and the provinces do adopt that legislation at some other date, a further amendment to the Canada Evidence Act would be submitted. If the amendment is passed at this time, it will be the first step and may become operative when concurred in by the other legislatures.

Mr. HAZEN: I suggest that the proposed amendment might very well be submitted to the uniformity of laws committee of the Canadian Bar association for their consideration and that we get their views on it before we pass it.

Mr. NICHOLSON: For my part I am prepared to make a decision on a question of this sort, and I think all hon. members should be prepared to make decisions without reference to any bar association or any other association. I imagine a company like the Canadian National Railways would have many carloads of paper that might very well be released. The same applies to the other railway, to all our chartered banks, and to insurance companies. These corporations are required to retain large volumes of paper for long periods of time, and the shortage of paper is now so serious that I think we should take the first step and pass this legislation. If there are objections that the bar association wishes to make, let it make them to the provincial legislatures before the enabling legislation is passed. Hon. members who have spoken so often about the urgency of the present situation should not block this amendment.

Mr. HAZEN: But this is not going to save any paper; the same amount of paper is going to be used, unless the paper is afterwards salvaged.

Mr. NICHOLSON: But it will be salvaged.

Mr. FRASER (Peterborough West): Has the minster any record of how long these microfilms will last? This is practically a new thing; with other films you have to keep them at a certain temperature and so on, or they will fade and crack and break.

Mr. ST. LAURENT: No; we have not in the department any information on that. I know from my own experience that films of my early childhood still serve to make prints that are quite clear. But even that is not so very long ago.

Mr. EDWARDS: Does the same objection not apply to the original itself? Does that not fade?

Mr. HANSON (York-Sunbury): Not if good paper and good ink are used.

Mr. EDWARDS: It seems to me we should encourage modern methods and practices—

Mr. HANSON (York-Sunbury): Never mind the rules of evidence, they do not matter!

Mr. EDWARDS: —and encourage business firms and institutions to do business in a modern way. The only objection I see is the one to which the leader of the opposition drew attention, that some trick photography might be done. I have found from experience in trials, where there are three dimensional objects or scenes or positions on a roadway, that a clever photographer can make the scene look different from what it actually is. I do not, however, think the same observation applies to a flat object such as a document. I am wholeheartedly in sympathy with the amendment and the bill itself.

Mr. GREEN: It scarcely seems to be showing the judgment that should be shown by this august body to have an amendment of this kind approved in order to make waste paper. Surely that is not a sound basis on which to make the laws of Canada. Yet that has been given as the main reason for this amendment. Here we are in this position: a bill is brought in, the terms of which have been approved by several of the provinces, by the committee on uniformity of legislation of the Canadian Bar association and by the Canadian Bar association, so that there could be no justifiable complaint about having the legislation pass in its original form. But now this ministry bring in an amendment which has not been considered by the committee on uniformity of legislation, presumably not considered by any of the provinces, which is obviously giving a privilege to some companies and not to others, which is not drawing the line in any set place, but, for example, the Bell Telephone company asked to be included and so telephone companies are included in order to meet that wish. Surely we are not going to let legislation of that type slide through in this way. I urge upon the minister that he let this amendment stand for another year. He has admitted that no harm will be done if it does stand, and in the interim the committee of the Canadian Bar association can consider the amendment, and it can be whipped into shape so that it draws a proper line, instead of one company being in and another out. To put through legislation of this kind without further consideration will make this committee ridiculous.

Mr. HANSON (York-Sunbury): I am inclined to agree with that. The crux of the whole question is, is this change in the law of evidence a justifiable change? This question of salvage is wholly extraneous; it has nothing to do with the principle underlying this measure. I am willing to support the original bill, but I think the amendment should stand over.

Amendment agreed to.

Section as amended agreed to.

Bill reported.

ALBERTA NATURAL RESOURCES

AMENDMENT OF TRANSFER AGREEMENT RESPECTING ROYALITIES ON OIL PRODUCTION

Hon. T. A. CRERAR (Minister of Mines and Resources) moved the second reading of Bill No. 18, to amend the Alberta Natural Resources Acts.

He said: When the bill was introduced several weeks ago I gave a brief explanation of the purpose it seeks to carry out. It was in the latter part of March, as I recall.

Mr. STIRLING: March 25.

Mr. CRERAR: The explanatory notes accompanying the bill give a full explanation of the purpose of the measure. It will be recalled that prior to 1930 the federal government had the administration of the natural resources of the prairie provinces. The provinces were in a unique position in that respect since every other province from the time of its entry into confederation had retained full and complete control of all its public domain. When the resources were transferred in 1930 it was found that a substantial number of leases covering various parts of the public

domain were outstanding. Those leases had been issued by the federal authority. What we are concerned with in this bill are those leases that cover gas and oil properties.

Mr. HANSON (York-Sunbury): Issued prior to the transfer?

Mr. CRERAR: Yes. I said a moment ago that at the time of the transfer leases for various parts of the public domain in the prairie provinces had been issued by the federal authority. The measure with which we are now dealing relates to the oil and gas leases issued in the province of Alberta.

Mr. MacNICOL: Was there a termination date in the leases?

Mr. CRERAR: The leases were issued under regulations, the authority for which had been granted by the parliament of Canada. The regulations were passed by order in council and they governed the conditions of the leases. At this time there are approximately 810 leases that had been issued covering gas and oil rights, and of those, 169 are in the Turner valley where substantial quantities of crude oil were discovered. As hon. members know, to-day that field is an important source of supply for crude oil for the prairie provinces.

There was no question of the authority of the federal government to vary the terms of the leases. The terms that we are particularly concerned with in this measure are those relating to royalties. But I repeat, there was no question of the power and the right of the federal authority to vary the terms of the leases as far as royalties were concerned. When the resources were transferred and agreements were made between the prairie provinces and the federal authorities, I believe all the agreements contained a section which is known as section 2 in the particular agreement that we have under consideration to-night. That section will be found in the explanatory notes to the bill and it reads:

> The province will carry out in accordance with the terms thereof every contract to purchase or lease any crown lands, mines or minerals and every other arrangement whereby any person has become entitled to any interest therein as against the crown, and further agrees not to effect or alter any term of any such contract to purchase, lease or other arrangement by legislation or otherwise, except either with the consent of all the parties thereto other than Canada or in so far as any legislation may apply generally to all similar agreements relating to lands, mines or minerals in the province or to interests therein, irrespective of who may be the parties thereto.

Mr. HANSON (York-Sunbury): The government is now seeking to give authority to the province to do that very thing?

Mr. CRERAR: It was held by the owners of the leases that this section acted as a prohibition on the provincial authority in varying the terms of the leases that had been issued. I believe the legal advisers of the provincial government in Alberta held a contrary view.

Mr. HANSON (York-Sunbury): Has it ever been submitted to the courts?

Mr. CRERAR: I shall come to that in a moment. At any rate there appears to be a difference of opinion among the legal fraternity as to the precise meaning of this particular clause. Does this section 2 of the transfer agreement tie those leases for all time, in the matter of royalties for example, to the terms that were set out in the leases when they were issued? Or does it give to the province of Alberta what every other province in Canada enjoys, that is the power to vary the terms in so far as royalties are concerned?

In 1938 a very important question arose in Alberta in connection with the conservation of gas in the producing oil fields in the Turner valley. There was no doubt of the power of the Alberta legislature to pass regulations respecting the utilization of gas. That is, they could pass regulations requiring, for instance, that wells under gas pressure could permit only so much gas per certain unit of time to escape. But if they did that it was held, whether rightly or wrongly I am not prepared to say, that such regulations under section 2 would have to apply generally over the whole province. The Turner valley has been the main source of production of crude oil, but there are other fields in Alberta, which, while smaller as far as production is concerned, are still important. It was recognized, I think by everyone who knew anything about the subject, that while regulations might apply properly and wisely to the development in the Turner valley, they might not apply so wisely or so properly to the development, say in the Wainwright field. Consequently, rather than adopt the tedious procedure of testing the matter in the courts, the federal government and the government of Alberta entered into an agreement to amend the transfer agreement and give to the province of Alberta the powers it sought to enable it to carry out these conservation measures.

Mr. HANSON (York-Sunbury): I think the minister is making a substantial omission of fact, and I should like to ask him a question with his permission. Is it not a fact that after the natural resources were transferred to Alberta, they made a claim against the dominion, arising out of the loss of revenue

which they contend they would have sustained by reason of the fixture of the royalties? And is it not a fact that an award was made giving them some $5,000,000? I think Mr. Justice Tweedie was one of the arbitrators, and they got paid for this very thing years ago, by the federal authorities. Now they want it twice.

Mr. CRERAR: No.

Mr. HANSON (York-Sunbury): I think I am right about that.

Mr. CRERAR: No; the compensation claimed by Alberta was for the part of the public domain that had been alienated.

Mr. HANSON (York-Sunbury): Including the petroleum leases.

Mr. CRERAR: The petroleum leases were only a very minor factor, because there was not any question that the Alberta government, as successor to the federal authority, had the power to collect the royalties specified in the leases.

Mr. HANSON (York-Sunbury): Undoubtedly.

Mr. CRERAR: But large quantities of timber had been alienated, and there were large acreages of public lands which had been alienated. Coal mines had been alienated, and worked out; and the Alberta government had never derived any benefit whatsoever from those alienations. This had taken place over a long period of years, and it was in compensation for these alienations that the claim was set up.

I recall the matter very well, because I was one of a commission of three royal commissioners who adjudicated between the province of Manitoba and the federal government as to the amount of compensation that should be paid Manitoba because of the alienations which had taken place in prior years.

The purpose of the bill is to give the Alberta legislature the power to vary these royalties. As a matter of fact, over a year ago the federal government was approached by the Alberta government, who asked that the agreement be amended at that time. Very strong exception was taken to the procedure by, I believe, practically all of those who held oil and gas leases. As a matter of fact, the gas leases are not so important. The real core of the matter is connected with the oil leases.

This happened toward the end of the session a year ago, and I made the suggestion personally to the minister of lands and mines of Alberta that the Alberta government should endeavour to reach an understanding with the holders of those oil leases, particularly those in the Turner valley. I might interject here that they are the leases mainly concerned. Of the 810 leases I mentioned earlier which had been issued, a large proportion are in areas where no oil has been produced. I understand many of the leases could be cancelled for failure to conform to the terms of the lease. However, that is not germane to the measure before us.

The Alberta government undertook to vary the terms of the leases, and a court action was instituted. As the leader of the opposition quite properly stated a little while ago, the courts would be the place in which to settle these differences and difficulties, and in which to get a final judgment as to what section 2 in the transfer agreement really meant. But another matter intervened, one which again is directly traceable to the war. We have heard a great deal in recent days, and will probably hear more in days to come, about shortages of gasoline and oil in this country. It is believed, and with substantial reason, that there are other fields in Alberta in addition to the Turner valley, where oil will very likely be found. As a matter of fact, the federal Department of Mines and Resources is this year directing quite a number of its geological parties to the search for oil structures in Alberta. I believe one party is in Saskatchewan. The situation as it existed meant simply this, that the uncertainty was preventing the development of those fields. Those who had oil leases, and who desired to get capital to develop them, found the capital a bit timid because they did not know what royalties might be assessed against them in the future. They did not know whether the Alberta government had the power, or whether section 2 of the transfer agreement was good law.

As a result of this, through negotiations between a large majority of the active oil interests of Alberta and the government of that province an understanding was reached which, if approved, would give that security to capital which would lead to development, and to the possible relief, to a considerable measure, of the stringency in gasoline and oil we have at the present time. The terms of the agreement are set out.

In the first place, all the wells in Turner valley which were producing or were financed for production prior to 31st May, 1941, remain at a royalty of 10 per cent. That is, they were developed and financed on the expectation that the royalty would remain at 10 per cent. For developments subsequent to

that date a scale of royalties has been agreed upon, with a minimum of 5 per cent and a maximum of 15 per cent, or an option to the person developing the well of 12½ per cent, this to apply not only to federal government leases but equally to a quite substantial number of leases issued by the provincial government, subsequent to their taking over the administration of the resources. This arrangement is to continue for a period of ten years.

As I said a moment ago, it is felt by the oil producers themselves and by the government of Alberta that this will lead to a much greater development than would be possible if the whole question were still in the clouds of uncertainty I mentioned a moment ago.

Mr. HANSON (York-Sunbury): Does the minister say, on his authority as a minister, that the leaseholders have agreed to this?

Mr. CRERAR: No; all leaseholders have not agreed to it, but the majority of leaseholders with active or potentially active properties have agreed. In addition to that, the oil controller was interested in this matter, and he urges—I do not think that is too strong a word—that the agreement should be amended to permit of conditions which will produce stability and get production.

Mr. HANSON (York-Sunbury): I do not think that is a factor, at all.

Mr. BENCE: Did he prepare a brief on it and, if so, could it be made available?

Mr. CRERAR: No; he discussed the matter with Doctor Camsell, deputy minister of mines and resources. That, I believe, covers the main points in the measure. I have no hesitation in recommending this measure to the house. If it should fail to pass I think we would have a period of uncertainty, and consequently a lack of development. Representations have been made to me by those representing the majority oil interests, and they express themselves as wholly favourable to the passing of this legislation. I have no doubt that if it should pass, as I hope it will, it will be beneficial not only to the province of Alberta but to Canada as a whole.

Hon. R. B. HANSON (Leader of the Opposition): At this stage, Mr. Speaker, I desire to make some observations on this bill. I think hon. members would be well advised to study all its implications. On a previous occasion I asked that all the correspondence be tabled. I do not recall that that has been done. I think it should have been done. Some evidence should be furnished to this house that the leaseholders or the great majority of them, as has been alleged, have agreed to this legislation. I do not think that is the case.

Mr. CRERAR: I can assure my hon. friend that it is the case.

An hon. MEMBER: How many of them?

Mr. CRERAR: I have forgotten at the moment.

Mr. HANSON (York-Sunbury): I should like the minister to produce evidence that they have agreed. My information is that the leaseholders are afraid to move for fear of what may happen in the future. I think very few of them are willing to take a public stand for fear of jeopardizing the interests which they have in the province and future interests which they may have there.

This seems a rather strange piece of legislation, having regard to the fact that there was a contractual right vested under the laws of Canada prior to the passing of the legislation transferring the natural resources. If there is any doubt about the meaning and interpretation of section 2 in the agreement to which the minister referred, there is a proper tribunal to which to take the case, and that is the Supreme Court of Canada, on a stated case. If the subject matter has been under discussion for at least a year, as the minister has intimated, there has been ample time to have that done and to have any anomaly and ambiguity in the section settled by the court.

I have not approached this matter of my own motion, but information has come to me from various quarters, from parties who are interested in preserving the contractual rights of certain of the leaseholders, many of whom spent large sums of money in developing these properties, much of which money was lost. Everybody knows that developing an oil field is a highly speculative enterprise, and a great deal of money that has gone into prospecting and development has been lost.

I would point out to the minister and to the house that some of the leaseholders look to the dominion government to preserve their rights in the situation which existed prior to the transfer of the natural resources.

In passing, let me say to the minister that the arbitration tribunal set up by agreement between the former government of Alberta and the government of Canada submitted the case of the natural resources, including petroleum and natural gas, alienated prior to the transfer, and as a result the province of Alberta received very generous compensation from this government. I think that ought to have settled the question once and for all with respect to the rights of the leaseholders,

because the people of Canada, under the authority which this government possesses, and under the arrangement between the two governments, paid to the government of Alberta that which they claimed they had lost. That is a factor that must not be lost sight of.

Just in passing, I should like to point out this as a consideration, not a primary consideration by any means, but in recent years the dominion government or the courts, or both, disallowed, or declared ultra vires, many of the acts passed by the legislature of Alberta which had the effect of interfering with contractual rights of mortgagees and vendors under agreements of sale. That I think is a correct statement of the principle.

The federal government is now, I am sure at the instance of the provincial government, initiating legislation which clearly interferes with the contractual rights of individuals made with the dominion long anterior to the transfer of the natural resources. The federal government is moving, not of its own motion in this matter, but at the instance of the government of Alberta.

It is suggested—and I commend this to the minister—that it is improper for the dominion government to sanction and aid in what is considered a breach of trust and a breach of its own agreement under dominion laws, which would only be possible by a legislative enactment such as we now have before us. That is the only way in which this can be done, and such action cannot be justified. I lay that down as a principle. If that is true with respect to the violation of contractual rights under acts passed by the Alberta legislature in 1941, which have been disallowed, then I say that any reasons which would cause the dominion government to disallow such legislation interfering with contracts to which the federal government was not a party would apply with far greater force to the initiation of legislation affecting adversely contracts to which the federal government is a party. I lay that down as a principle of law for the guidance of the minister. He ought to think about that and give some attention to it.

I am advised—I do not know how correct my advice is—that not one single holder of a dominion licence favours this legislation.

Mr. CRERAR: That is not correct.

Mr. HANSON (York-Sunbury): Then I ask the minister to produce evidence of its incorrectness; I think we are entitled to that. I do say this, that not one of these companies can afford to come out into the open and fight this sort of thing because of the fear of the wrath to come later on.

[Mr. R. B. Hanson.]

Mr. BENCE: Particularly if they hold a provincial lease.

Mr. HANSON (York-Sunbury): Absolutely, and most of them are under the jurisdiction of the provincial government. It is human nature, just the same as it is human nature to them to look to this parliament to see that they are given fair play. I think this parliament ought to see that they are given fair play.

Mr. REID: We are giving them fair play for a lifetime if we give them royalties for all time.

Mr. HANSON (York-Sunbury): There is no doubt that the leaseholders spent their money and took a chance. A great number of them sank their money in the venture; some of them won, and many lost. That is true of all such developments. I think the whole effect of this legislation, as far as I have been able to study the case, is that, in effect, it will be a breech of trust with the original leaseholders. That is my view.

I have before me a submission with respect to the history of this transaction. I am going to take a little time to read parts of it and to comment on it.

Prior to the transfer of the natural resources by the dominion to the province of Alberta pursuant to the natural resources agreement of 1929, a large number of agreements between the dominion and individuals and companies were entered into. These dealt, as the minister has very properly said, with dominion lands, but included, among other things, leases of petroleum and natural gas.

Large expenditures were made by companies and individuals, by holders of the leases, in exploring and drilling for oil in Alberta during the period from 1914 down to the date of the agreement.

Many of these leases were issued and were subject to and developed on the strength of regulations approved by order in council of this government under date of March 11, 1911, and these provided, among other things, the following:

> No royalty shall be charged upon the sales of the petroleum acquired from the crown under the provisions of the regulations up to the first day of January, 1930, but provision shall be made in the leases issued for such rights that after the above date the petroleum products of the location shall be subject to whatever regulation in respect of the payment of royalty may then or thereafter be made.

That, of course, was an inducement for people who put out their money to make these researches and to explore and drill for oil.

If they struck oil, well and good; if they did not strike oil, they lost on the speculation.

The order in council goes on to say:

A royalty at such rate as may from time to time be specified by order in council may be levied and collected on the natural gas products of the leasehold.

In 1914, drilling in the Turner valley area was extensively engaged in, and I am informed that millions of dollars were spent by leaseholders in endeavouring to secure production under leases subject to these regulations.

Then followed the great war, and there was a period of stagnation in that area. But the majority of dominion leases comprising central and southern portions of Turner valley were held by lessees at great financial sacrifice, with the result that further developments took place during the several years when oil development was renewed, notably in 1926 and in subsequent years.

The regulations to which I have referred as having been passed under the order in council of 1911 were rescinded, and in 1919 further regulations were made by the federal authority, including, among others, the following:

The sales of the products of any location acquired under the provisions of these regulations shall be subject to the payment to the crown of such royalty thereon as may from time to time be fixed by the governor in council, the royalty to be collected in such manner as may be specified by the minister.

That certainly was narrowing down the time in which there could be no royalty, which under the present arrangement would not accrue until 1930.

Mr. CRERAR: Royalties were provided for in 1919.

Mr. HANSON (York-Sunbury): Yes. I am saying that. That is just what I read to the minister, if he followed me. In 1919 further regulations were provided which had an overriding effect on the authority of the order in council of 1911, and royalties were provided for in 1919.

Then there was a further order in council, to which I direct the attention of the minister; no doubt he is familiar with it. It was passed on October 29, 1920. Perhaps the minister was not Minister of the Interior at that time; I have forgotten at what date he ceased to be so, but it would be under his jurisdiction as such.

Mr. CRERAR: I was not formerly Minister of the Interior.

Mr. HANSON (York-Sunbury): I beg pardon. He was Minister of Agriculture. I am quoting from that order in council:

The minister states that representations have been made to the Department of the Interior that failure to fix the royalty—

Contemplated, I assume, under the regulations of 1919.

—which may be charged on the products of petroleum locations has the effect of retarding development, as persons contemplating investment in this industry hesitate to incur the large initial expenditure necessary to insure success without knowing what tax may be placed upon the oil which may be discovered. . . .

That was a very natural position for them to take. They would not put out the money until they knew what the tax was to be.

Therefore the minister recommended that—

—for five years after the date upon which the Minister of the Interior may decide that oil in commercial quantities has been discovered on land acquired under the provisions of the regulations aforesaid the royalty to be collected by the crown shall not exceed 5 per cent of the output of the well or the sales of the products of the location as may be decided by the minister, nor shall it be less than two and one-half per cent of such sales during that period; that for a further period thereafter of five years the royalty to be collected shall not exceed 10 per cent of the sales of the products of the location, nor shall it be less than 5 per cent of the sales during that period; and that thereafter the royalty shall be 10 per cent of the sales of the products of locations acquired under the provisions of the said regulations.

After that order in council was passed, I am advised that around 1926 there were extensive developments in the Turner valley area.

Large sums have been spent by leaseholders in development, in many cases without any adequate returns or any returns at all, and without prospect of the return of the capital expended, on the strength of the regulations attaching to the leases and on the strength of subsequent regulations fixing for all time a maximum royalty of 10 per cent of production. To these regulations I have referred.

Mr. CRERAR: Not necessarily for all time.

Mr. HANSON (York-Sunbury): Well—

. . . and that thereafter the royalty shall be 10 per cent of the sales of the products of locations acquired under the provisions of the said regulations.

Certainly it would be for the length of time of the lease under the regulations.

Mr. CRERAR: No. The federal government had the power to vary that clause.

Mr. HANSON (York-Sunbury): Yes; I think the minister is right; the federal government had power to vary it.

Mr. BENCE: Why did they put in a limitation then, in 1929?

Mr. HANSON (York-Sunbury): Quite so. The province of Alberta now proposes that the dominion government should by legislation sanction a deliberate breach of contracts carried out in their entirety by leaseholders; that is, leaseholders who have kept their leases up. I am not speaking on behalf of men who have forfeited their leases or left themselves liable to forfeiture; I refer to men who have in good faith carried out the terms of their leases.

Mr. JOHNSTON (Bow River): Most of the big oil companies.

Mr. HANSON (York-Sunbury): I am not speaking on behalf of any of the big oil companies. I would like the hon. member to understand that exactly. I am speaking on behalf of a taxpayer of the province of Alberta who objects to the principle of this bill and the measures under it. The province now proposes that the dominion should approve and sanction a breach of trust by the dominion to the detriment of those to whom the dominion owes a duty. I put this to the minister, that, as a trustee, the dominion owes a duty to the holders of dominion leases, the sole consideration for which is an agreement by the province of Alberta to confer a benefit on a group of individuals to whom the dominion government owes no duty and with whom the dominion government has not contracted, that is, the holders of provincial leases.

Just why the dominion government proceeds along the lines indicated I do not think the minister has made clear. Why should the dominion government be a party to an agreement which violates the contractual rights of holders of dominion leases? I suggest that that problem has not been clarified and is just as obscure as when the minister moved the second reading of this bill. I suggest to the minister as a sound principle of law, of policy and of legislation, that because the majority has authority it may not use its power to further its own ends by oppressing a small minority, which perhaps is afraid to move to protect itself and must look to this federal authority to protect it. In other words, if this legislation goes through, this government is lending itself to the principle of allowing the province of Alberta to increase the contractual obligations of holders of dominion leases without consideration to them, and that is wrong, particularly in the face of their objection to such a breach of contract, such a breach of trust, so that provincial leaseholders may obtain limitation of their contractual obligations without consideration from them.

I suggest that we ought to move very slowly in this matter. The minister himself moved very slowly last year. He was not convinced that this was the right thing to be done, and he has been convinced—if he has been convinced at all—on the theory that everybody is agreed to this and that if the province wants it we should give it to them. I demand to know the minister's authority for saying that all the leaseholders have agreed, because in effect he is lending himself to a violation of contract. He stands, the dominion stands, in the position of a quasi trustee for these leaseholders. There is no one else to protect them. I am on absolutely sound ground there. There is no one to protect them but this federal authority. And that authority in the dominion should not be lightly cast aside or overthrown, because grave injustice may accrue to these people. Nobody knows what they may be asked to pay. I have already referred to the position of the compensation paid by this government to the Alberta government for the alienation of these leases. That debt has been paid, and, I suggest, it was paid generously to all the three prairie provinces. I remember something about this in the nineteen-twenties. Arbitrations were held here. In the case of Manitoba, Mr. Justice Dysart—

Mr. CRERAR: Mr. Justice Turgeon.

Mr. HANSON (York-Sunbury): Mr. Justice Dysart sat on one.

Mr. CRERAR: Saskatchewan and Alberta.

Mr. HANSON (York-Sunbury): And Mr. Justice Tweedie sat on the Alberta case some years ago. All these considerations moved the arbitrators to pay the province of Alberta what they thought had been alienated from them by reason of the granting of these leases. That is an additional reason why the leaseholders should be protected by this government, and this agreement should not be given the sanction of law by this parliament.

I have not very much to add to that, although there is in the minds of some legal gentlemen of the province of Alberta a question as to the constitutional right to do this thing. I will not raise that because it is rather obscure; and from a cursory reading of the statutes, without attempting

to give any concentrated study to the subject, my view would be that the constitutional question which might be raised has in a degree at least been cured. Therefore I will not argue that this bill is unconstitutional. If anyone is aggrieved and believes that by this transaction, if it passes, which I hope it will not, there is a constitutional right which is being violated, I am quite content that they should go to the courts, and so far as I am concerned, I will abide by the result of any litigation there is.

I suggest two reasons why the minister should not pass this measure. In the first place it is a breach of trust to the federal government's own leaseholders who have spent their good money, and plenty of it—and many have lost their money. How many people bought oil stocks? Only one in a hundred is anything but a gamble. You take a chance, and so do the prospectors and the drillers, and especially in a field which is as precarious as are some parts of Alberta. Why should this government lend itself to the violation of a contractual right, and why especially should the government lend itself to the handing over to Alberta of a right which it does not possess to-day and for which it has received compensation at the hands of the federal treasury by judicial decision? There in a nutshell are the two counts of the indictment against the measure. I think the minister ought to withdraw the bill. This proposal of the government of Alberta does not differ very much in principle from the illegal position which the legislature of Alberta has taken with respect to certain other contractual obligations which this government itself has disallowed as being illegal. I ask the minister to reconsider the whole position and drop this bill.

Mr. M. J. EDWARDS (Calgary West): I come from that part of Alberta which is vitally interested in the oil resources of the one and only province of this dominion which has a potential supply of one of the most vitally necessary commodities for carrying on this war. When this agreement was proposed a year ago I offered objection to it, in that I, too, felt that the dominion government should not alter what was considered to be a binding, contractual obligation of this government with those people, firms and corporations, who had taken oil and petroleum leases from this government on terms and conditions which were, at least in their minds, and in that of the investing public, clear and unambiguous, namely, that the royalty was fixed and certain. The order in council was passed in 1920 to make the matter certain and to give a feeling of security to those adventurers who might be interested in investing their money in exploring the oil potentialities of Alberta and the subsequent development of them. It was because of the very uncertainty which had existed up to that time that men were loath to spend the enormous sums necessary, particularly in southern Alberta, because of the peculiar and difficult rock formation and the depth to which it had been determined drilling had to be carried in order to ensure production. It was not an uncommon thing for an oil well to cost in those days anywhere from $150,000 to $300,000.

Mr. MacNICOL: And some, $500,000.

Mr. EDWARDS: Yes; some as high as $500,000. No person was going to gamble any such sum unless he knew with some degree of certainty what portion or share of whatever he did find would have to go to the crown. That was the reason why the order in council was passed in 1920, as the recital to the order in council states. It was to give certainty where uncertainty had theretofore existed, and that certainty was given to encourage and ensure the development and the expenditure of the large sums necessary not only to locate but to develop the oil resources of the province. There is not a shadow of doubt that, from that time on, the holders of all leases issued by the federal authority and, up until as late as a year ago, the provincial authority, felt that that regulation or that order in council was binding in so far as any federal leases were concerned which had been issued prior to October, 1930, when the actual transfer of the resources took place and the oil and petroleum resources passed to the provincial government.

At the time the Alberta resources agreement was entered into the government of the dominion deemed it necessary and prudent, and I think wholly justified, to insert clause 2 in that agreement, which provided that the provincial government as such would carry out in accordance with the terms of the existing leases all their covenants and agreements, included in which I believe, and certainly every federal leaseholder believed, was the term or stipulation in regard to royalty, which would go to the provincial government instead of to the federal government. The oil industry in Alberta has carried on in reliance upon that up to the present time, and even as late as last year denied the right and the jurisdiction of the provincial government to change the royalty stipulations in any of the outstanding federal leases. I thought at the time, and I so intimated, that before the federal government agreed to any alteration in the terms of the Alberta resources agreement, the

least it should do was to consult with and get the consent of those leaseholders who had dealt with it in good faith and had invested their money in oil leases on the strength of those orders in council which were in effect at the time they got their leases.

So the bill was not introduced in this house a year ago. But it was ratified by the legislature of Alberta. And the Alberta government, as any one from that province knows, notwithstanding the fact that the agreement had not been ratified by the federal government proceeded to enforce or try to enforce the increased royalties. Not one of the old federal leaseholders paid the increased royalty demanded by the provincial government. I understand on very good authority that the provincial government decided to make an issue of it, decided to start a lawsuit against one of the biggest oil operators to enforce payment of the increased royalty. But then they thought better of it, and following the usual custom and practice now of the government of Alberta they decided that instead of going to the courts and trying to enforce their legislation, they had better refer the legislation itself to the courts to find out whether it was valid. That is the procedure that was adopted. The Alberta attorney general is none other than the premier himself; he has no legally trained attorney general. Several years ago he fired the only one he had, and the result is that in the interval this parliament and the courts of this country have disallowed or set aside more Alberta legislation than legislation enacted by any other province since confederation. As late as March 28 of this year this government disallowed three acts passed by the Alberta legislature. They all related for the most part to contractual rights and obligations. They were the debt suspension act of 1941, the orderly payment of land debts act, and the limitation of actions act of 1935 amendment act of 1941. Any one in Alberta knows of the numerous acts of the Alberta legislature relating to debts which have been declared ultra vires by the courts.

Instead of pursuing a lawsuit as I indicated, the Alberta government referred their new royalty legislation to the supreme court of Alberta to ascertain in advance, if possible, whether it was good or bad. Then they thought better of that, and representatives of the government got together with certain of the larger leaseholders and operators and entered into a deal. Those with whom the deal was made are those parties or leaseholders referred to in the schedule to this agreement. In effect, the deal was this: "If you will support this bill and application to the federal government in so far as those federal leases which you have already drilled are concerned we will guarantee that you will not pay more than 10 per cent for all time to come. We will go a step further and say that with respect to any provincial leases that you hold, we will agree with you that for the next ten years the maximum royalty that you shall have to pay will be 12½ per cent."

Mr. CRERAR: Fifteen per cent.

Mr. EDWARDS: From 5 to 15 per cent. There was an alternative rule which was proposed that the lessees should pay the square root of their daily production. In other words, if your well produced one hundred barrels of oil a day, you would pay by way of royalty to the provincial government ten barrels a day, with the stipulation that the maximum should be 15 per cent. What happened? The firms and individuals which held federal and provincial leases endeavoured to decide which would be better for them. If they had more potential provincial leases than they had federal, the question obviously arose as to whether they should not agree to this and have the guarantee of the federal government that the maximum royalty that they should have to pay on the provincial leases they held would be 12½ per cent for the next ten years. However, the firm or institution or individual that had no provincial leases, but that had a number of federal leases which had not been developed and upon which a great deal of money had been spent as well as for annual rentals, had nothing to trade. Perforce the consideration for this whole transaction comes out of the present holders of federal leases.

I think that is an unfair, inequitable and unsound proposition, because of the fact that the provincial government found it nesessary to come to this government at this time in order to get rid of the fair, just and equitable provisions of clause 2 of the Alberta resources bill. If there was nothing inequitable; if there was nothing unfair or unsound in so far as the petroleum leases were concerned, then there was no occasion for the Alberta government to come to this government at this time and ask to be relieved of the provisions of that clause in the agreement. I say that every one of those firms which signed that agreement did so not because they thought that it was fair, not because they thought it was equitable, not because they thought it would create stability; they signed it in order to get the protection of a covenant from the government of Canada with respect not only to the federal leases which they held but to the provincial leases as well.

I maintain that this government should have no part or parcel in the administration of any

agreement with reference to the natural resources over which it never had, has not now and will not in the future have any control. If the federal government is going to exercise any control, I contend that its objectives should be to encourage and increase the discovery and production of our oil resources wherever they may be found. That is not done by increasing the royalty which a developer or producer must pay to the federal authority.

An hon. MEMBER: Or by breaking faith.

Mr. EDWARDS: Thank you for the phrase —or by breaking faith with those who have heretofore dealt in good faith and who at the present time have their money invested in the development of the oil resources of this country. One of the things which has retarded the development of the oil resources of Alberta and forced large firms and institutions into the adjoining provinces of Saskatchewan and Manitoba and the northern part of British Columbia, or even out of the country altogether, is the lack of confidence in the stability of the government which presses this bill upon the people of Canada at this time.

Mr. FAIR: It is the Liberal government at Ottawa that the hon. member is talking about; it is their bill.

Mr. EDWARDS: I am talking about the so-called social credit government or new democracy government, or whatever it is of Alberta. I submit that this legislation should not pass simply because some firms with large interests have sponsored it and have subscribed their names to it. Look through the portfolios of the companies which are involved and which own the wells and you will find, I doubt not, that most of their holdings are provincial and not federal leases. I doubt if you will find any who hold nothing but federal leases. There is no quid pro quo for them.

Mr. MacNICOL: Does the hon. member think that if this bill passes it will discourage the opening up of new wells in Alberta instead of encouraging new oil production?

Mr. EDWARDS: If you can tell me what the reaction of the man or the firm with trust funds or money for investment will be to such a proceeding as this, then you will have the answer. Not being a moneyed man myself and having no investment in Alberta oil wells, I cannot say, but I do know that I have met representatives of large and substantial firms which are interested in the development of the oil resources of Alberta and which—

Mr. JOHNSTON (Bow River): That is where your law practice comes in.

Mr. EDWARDS: That is not true, because I did not act for a single oil company in Alberta.

Mr. JOHNSTON (Bow River): I did not say that you did.

Mr. McNIVEN: You suggested it.

Mr. EDWARDS: That has nothing to do with the matter. I think it will be found that my remarks in regard to the subject under discussion are—at least I hope they are—more accurate than the remarks of the hon. member for Bow River a few days ago with regard to the steel industry in his own constituency.

Mr. JOHNSTON (Bow River): I was waiting for you to bring that up; why don't you go ahead?

Mr. EDWARDS: Another reason I have for objecting to this legislation is that it is retroactive. If one refers to the agreement he will find that paragraph (e) of section 2 of the agreement states:

> (e) The royalties provided for in subparagraphs (a), (b), (c) and (d) of this paragraph shall be due and payable as and from the 31st day of May, 1941.

Mr. HANSON (York-Sunbury): That is when they were negotiating, a year ago.

Mr. EDWARDS: Yes; that is when they were negotiating, a year ago. So the provincial government is now attempting by this legislation to recover what has gone in the past. If this agreement was bad in May, 1941, I say it is equally bad and untenable in May, 1942. The minister states that there were outstanding, and I understand that there are at the present time, some six or seven hundred federal leases which are or can be affected by this legislation. I further understand, from reliable information, that not more than 125 or 150 of those leaseholders are parties to this bill. What about the other federal leaseholders who know nothing about this procedure?

Mr. CRERAR: My hon. friend is not correct in that regard. As a matter of fact, as I recall, more than three-quarters of the leases are dormant, and never have been produced. No oil has been discovered in the territory of those leases. The vast majority of them, I understand, are in a position where they could be cancelled to-day.

Mr. HANSON (York-Sunbury): But they are still outstanding.

Mr. EDWARDS: Why have they not been cancelled, if what the minister says is correct?

Mr. A. H. BENCE (Saskatoon City): Mr. Speaker, I have just a few remarks to make in this connection, along more or less general lines. It does seem to me that before the house should be asked to pass a piece of legislation which so drastically interferes with the rights of minorities, we should have more information before us than has been given by the minister this evening.

He made the statement a few moments ago that a large number of these leases are dormant. He said that there were approximately 810 leases, and I am wondering whether he can tell us how many of those leaseholders are also leaseholders of provincial rights, acquired since 1930. I wonder whether he can tell us how many owners of the leases he has described as dormant, have paid their necessary dues or fees to the provincial government, and are in good standing. Furthermore, it seems to me he should inform us more specifically than he did as to the reasons why the oil controller has favoured the passing of this legislation.

Mr. CRERAR: I can tell my hon. friend, if he will permit me. The oil controller favours the passing of this legislation because he thinks it will lead to the production of oil—and oil is a very scarce commodity to-day.

Mr. BENCE: I agree with the minister that that is so; but surely, rather than give us the blank statement that the oil controller says it will be conducive to the increasing of oil production in Canada, he should give us some reasons.

Mr. CRERAR: That is pretty thin.

Mr. BENCE: As far as I can see, the only thing that is being done is that the dominion government is releasing the rights and protection it gives to these minority leaseholders, and turning them over to the province of Alberta. How in the world can action like that be conducive to producing oil in Alberta, in view of the record of the Alberta government in the past in connection with its contractual obligations?

On that point it seems to me that if the minister wished to have stability, and if this government wished to have stability, as far as the leaseholders are concerned, he should have entered into an agreement with the provincial government which would have provided specifically that those leaseholders who acquired their interest before 1930, and who come within the provision of the legislation referred to, and are described as not having financed or proceeded with their leaseholds, would have been protected, and that the royalties which would be charged to them would not exceed 10 per cent. If that were done, it would give them stability. The province of Alberta would know where they were, and the Dominion of Canada would have complied with the trust reposed in it on behalf of these minority leaseholders.

I suggest to the minister and to the house that this is a breach of the fiduciary relationship between these minority leaseholders and the dominion government. As pointed out by the leader of the opposition (Mr. Hanson), on March 25 the minister advised the house that he would table the correspondence he had received in this connection. He has not yet done so. Surely there must have been some objection to the passing of this legislation. Surely those persons who were interested in this field, and who were not in the position of being squeezed, if I may use that expression, because of the fact that they own provincial leases, have made some representations to the administration as to the advisability of not proceeding with this legislation.

Due to the fact that the minister agreed to table the correspondence, I suggest that he should do so, and that we should have an opportunity of examining it before proceeding further. There are various things which occur to me and which seem rather strange in connection with this matter. In the first place the minister suggested that one of the reasons was the fact that they did not wish to proceed through the courts, and to spend all that length of time which he felt would be entailed in court proceedings. Well, this matter arose a year ago and, as was pointed out by the hon. member for Calgary West (Mr. Edwards), the agreement is predated to May 31, 1941. If the federal administration had wanted to obtain the opinion of the court, they could easily have done so in that interval.

In any event, why should they assume the onus of discharging a responsibility which is purely that of the province of Alberta? Why should they assume the onus of the possibility of having actions for damages brought against them by these minority leaseholders? I wonder if the minister has considered that point. I wonder if he has asked for an opinion from the Minister of Justice (Mr. St. Laurent) and if he has ascertained whether these people would have an action against the dominion government for damages, if this legislation is proceeded with? The minister shakes his head. Has he obtained an opinion from the Minister of Justice on the point?

There is this further very important point. The leader of the opposition referred to the question of constitutionality. I believe there is a duty upon the administration to ascertain from its advisers whether this procedure is

constitutionally possible and whether, in view of the fact that the original legislation was sanctioned by an act of this parliament and had to be taken from here to the imperial parliament in Great Britain, an amendment like this would also have to be taken to the imperial parliament. I am not suggesting that it should, nor am I expressing any opinion in the matter. But in view of the fact that that action was taken before, can the minister assure us that it is not necessary in the present instance?

The memorandum of agreement states:

> The owners have agreed to withdraw their objections to section 2 being amended as above mentioned provided that the royalty on all wells in the Turner valley field that were producing or financed prior to May 31, 1941, would be fixed for all time at 10 per cent, and that the royalty on all other leases, both dominion and provincial, would be fixed until June 1, 1951, at a graduated rate with a minimum of 5 per cent and a maximum of 15 per cent, the owner having the right to elect to pay 12½ per cent.

We are not given very much information there, but the statement is made that "the owners have agreed." Does the government intend us to infer that that refers to the owners in the Turner valley field alone, or that it refers to a majority of the leaseholders who own dominion leaseholds? To whom does it refer? In that connection the minister should inform us how many leaseholds that are not in the Turner valley are affected by this legislation. I know that the other fields are smaller. I have not the personal knowledge of the oil fields of Alberta which hon. members who come from that province have, but there is the Wainwright field and the Vermilion field. Are there any royalties in those fields which were held by dominion leaseholders before 1930, and are they referred to in the statement "the owners have agreed"?

It seems to me that the point raised by the hon. member for Calgary West is particularly cogent that a great many of these leaseholders own provincial and dominion leases together, and consequently a great deal of pressure could be exercised on these individuals because there is no limit to the royalties that may be fixed by the provincial government with respect to provincial leases. These men may have accepted the agreement, but they have accepted it unwillingly. How many have signed the agreement or indicated their willingness to accept it? The people I am mostly concerned about are those who have acquired a right, are getting no *quid pro quo* and are being absolutely discriminated against by this legislation.

I am not very familiar with the tar sands of northern Alberta, but can the minister assure the house that this legislation will not in any way prejudicially affect the situation there, and will he also state whether, if it does apply, there were dominion leases held there before 1930?

The minister should also explain—he may have done so, but it was not clear to me—what steps were taken to consult the dominion leaseholders. I understand that certain objections were made a year ago by the Alberta association—I am not sure what it is called, but I think it is the Alberta petroleum association—and I should be glad if the minister would give the house the benefit of the objections that were made by the association at that time, and whether the association objected on the ground that the legislation involved a breach of trust. Would the minister also state by what method the dominion government approached the dominion leaseholders with a view to getting their sanction? The minister should give us that information because I do not imagine that the dominion government would proceed unless they had first canvassed the situation carefully.

The minister, during the course of his remarks made a statement which I did not understand, and about which I attempted to question him at the time but was not allowed to do so. Would he explain what he meant by the statement that there was no question about the authority of the dominion government to change the royalties before, and why was it so specifically agreed upon, when the resources were turned over to the provincial government, that no alteration would be made in the agreement except under exceptional circumstances, as set out in the clause referred to by the leader of the opposition a few moments ago?

I shall reserve one or two further questions I have to ask until the bill is in committee.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I was going to refrain from speaking on this bill. I had not intended to do so until the hon. member for Calgary West (Mr. Edwards) spoke on the bill and prompted the remarks I wish to make.

It seems to me that there is a type of mind that is vehemently opposed to the Alberta government. That type of mind has been prominently exemplified to-night in the speech delivered by the hon. member for Calgary West. It is strange that we cannot discuss a sane piece of legislation without questioning, shall I say, the character and the ability of a government duly elected by the people.

The hon. member, as an argument against what he believes to be a government that passes legislation which should not be passed, referred to the fact that some of the provincial legislation of Alberta over the past years had been disallowed by Ottawa. Let me remind him that even though some of the statutes passed by the Alberta legislature have been disallowed by this government, nevertheless the people of Alberta returned the same Social Credit government to Edmonton. Evidently the hon. member for Calgary West does not regard the will of the people as of any account.

In speaking on a bill, it seems to me that we must have in view whether the bill is going to benefit Canada, whether it would be regarded as beneficial to the people. I am not so much concerned whether it is regarded as beneficial by this individual or that group or this interest; if it is regarded as beneficial to the people, that is my guide.

The hon. member for Calgary West claims to have a peculiar interest in the oil development of Alberta. I am sure he is not going to monopolize that interest. There are a few of the rest of us who are also concerned about the production of oil in that province. I remind the house that the hon. member opposes a bill introduced by his own government, and his speech is singularly coincident and in complete harmony with speeches which have come forth from—

Mr. JOHNSTON (Bow River): Other oil interests!

Mr. HANSELL: —the large opposition group in the house. This is one time when a Liberal has aligned himself with the Conservative party on a bill. Whether he can justify himself I will leave the people to judge.

If I analyse the will of the people with respect to the Alberta government—and I am now talking about those who live in the districts which produce oil—I would remind the hon. member for Calgary West that in the town of Turner Valley the people gave support to his colleague to the extent of sixty-eight votes—

Mr. BROOKS: What has that to do with this?

Mr. JOHNSTON (Bow River): If the hon. member listens he will find out.

Mr. HANSELL: —and they gave support to the social credit-new democracy candidate with 154 votes. It has just this to do with it: I would not have had to mention it if the hon. member for Calgary West had not cast a reflection upon the integrity of the Alberta government and some of us who stand behind that government. I am simply saying that the people spoke in the last election in a voice which is contrary to the voice of the hon. member for Calgary West. In the district of Longview, which is in the heart of the southern Alberta oil fields, his colleague received 104 votes and our candidate received 173. In the district of Royalties, also in the heart of the southern Alberta oil fields, the people gave 71 votes to his colleague and 179 votes to the Social Credit-New Democracy group. The town of Hartell, similarly located, gave 39 votes to a Liberal candidate and 48 to our Social Credit-New Democracy candidate. In every one of those oil field centres the people showed their confidence in the Alberta government by returning Social Credit-New Democracy candidates to this house. I remind my hon. friend of these facts in the hope that he will not so vehemently oppose a government which has been put in office by the will of the people.

As far as the bill is concerned, evidently the minister's conviction is that the passing of it is in the best interests of all—of our war effort at this time when we need oil and gas, and of the country at large. We support the bill.

Mr. CRERAR: Starting with the speech delivered by the hon. member for Saskatoon City (Mr. Bence), perhaps I can give him some of the information for which he, quite properly, asked.

He inquired if steps were taken by the federal government to assure itself that the leaseholders were not opposed to this legislation. All I can say in reply to that is that the interests and the gentleman who spoke for them and who made representations to me a year ago against the passing of the legislation at that time were the same gentleman and the same interests who came this year and said that they were in agreement with the Alberta government and desired that the legislation should be passed.

He also raised the question whether a measure of this kind should be passed without reference to the imperial parliament. I think the hon. member for Calgary West (Mr. Edwards) mentioned the same point. There is a provision in the agreement by which the resources were transferred to Alberta, that reads as follows:

The foregoing provisions of this agreement may be varied by agreement confirmed by concurrent statutes of the parliament of Canada and the legislature of the province.

So there does not appear to be any question about the power to amend the agreement in the manner proposed here.

He also raised the question as to the authority to change the royalties, and the hon. member for Calgary West argued, if I understood him aright, that the royalties which existed at the time the resources were transferred to the province of Alberta were the royalties which would govern for all time to come. In that my hon. friend is quite mistaken. I believe the leader of the opposition (Mr. Hanson) also gave currency to that contention.

Mr. HANSON (York-Sunbury): That is the interpretation I put upon one of the regulations.

Mr. CRERAR: Well, leases which were issued under the authority of the federal government long before any understanding was reached for the transfer of the resources to the western provinces contained a provision to this effect. I shall not read the whole section, because it provides for the period of the lease and how it may be renewable, but it goes on to say:

> . . . and also rendering and paying therefor unto His Majesty a royalty at such rate as may from time to time be prescribed by order of the governor general of Canada in council on the products taken out of the said lands, such rent and royalty to be free and clear of and from all rates and taxes and assessments and from all manner of deduction whatsoever except as hereinafter mentioned.

There was another section in the lease, section 16, which touched the conditions of the lease, and let me point out that these leases were all similar in character. This section 16 reads:

> And provided further, and it is hereby declared, that this lease is subject in all respects to the regulations of the governor in council relating to petroleum and to any regulations that may be issued in amendment of and in substitution therefor.

Mr. BENCE: In what year were these passed?

Mr. CRERAR: These were passed away back in 1911, if I remember rightly. At any rate they were the forms of lease under which these leases were given to the people who staked their claims or took whatever steps were necessary to get them. That makes it clear beyond any question of doubt that, if the resources had remained with the federal government, the federal government undoubtedly had power to change the royalties from time to time as it saw fit. It had power to change the terms and many of the conditions under which the leases were issued.

Mr. BENCE: What about the provisions of the amendment to the regulations passed in 1920, referred to by the leader of the opposition (Mr. Hanson), the preamble to which indicated that because of the uncertainty of the position with respect to royalties they would set these royalties for a certain time after the wells came into production?

Mr. CRERAR: That confirms the point I am making. These leases were issued first in 1910, and in 1911 regulations were passed which were referred to by the leader of the opposition. These regulations did not provide royalties. The royalties were first provided for, I believe, in 1919 and 1920, and the terms under which they were provided were these: For the first five years a maximum of 5 per cent and a minimum of 2½ per cent; for the second five years a minimum of 5 per cent and a maximum of 10 per cent; and thereafter 10 per cent. These were the royalties fixed in the order in council of 1920; but they were not fixed for all time to come at that rate, because under the provisions of the lease I have just read, the federal government had power to vary these royalties. There can be no question of that. It is a very interesting legal point, and I realize that the whole debate is more a debate for lawyers than for laymen. It is, however, an interesting point as to whether or not in clause 2 of the transfer agreement the federal government passed over to the provincial government all the powers that it had exercised and could exercise in respect of these leases. That is the legal point which is in doubt. The leader of the opposition stated in his remarks that that was the question which should be resolved by the courts. As a matter of fact, when the legislation was not proceeded with in the federal parliament a year ago the government of Alberta, as stated by the hon. member for Calgary West, passed a regulation in regard to the leases issued prior to the transfer of the resources by the dominion government assessing such leases at the same rate of royalty as the provincial lease carried. I am not sure what it was, but I think it was 15 per cent. I speak subject to correction on that. That was resisted. Then steps were taken to test this very clause in the courts, and that court action was in progress when the arrangement was reached which this amendment seeks to ratify. Why was that arrangement arrived at?

Mr. HANSON (York-Sunbury): They could not have been very sure of their legal position.

Mr. CRERAR: It may be that there was doubt in the minds of both parties to the transfer as to their legal position, but I do not pass any opinion on that.

Mr. EDWARDS: There was no action. Action was never started. The Alberta government, instead of starting action, made a reference to the supreme court.

Mr. CRERAR: I accept my hon. friend's correction. At any rate it was a reference to test the quality of the law. The situation has changed greatly in the last year. I would draw the attention of hon. members to this fact, that a year ago we were not concerned with an oil shortage, nor were we concerned with the question of rationing. German submarines were not operating on this side of the Atlantic. Tankers carrying oil to Canadian ports had not been sunk, and hon. members are aware of the fact that within the last few months a number have been sunk.

Mr. HANSON (York-Sunbury): There is no oil shortage in that area. That is a red herring the minister is now drawing across the trail.

Mr. CRERAR: I should be grateful if my hon. friend would allow me to complete my argument instead of making interjections about red herrings and all that sort of thing.

Mr. HANSON (York-Sunbury): There is no oil shortage in Alberta.

Mr. CRERAR: If there is no oil shortage in Alberta, why is rationing in effect in that province?

Mr. HANSON (York-Sunbury): The Minister of Munitions and Supply (Mr. Howe) from his place in the house said that Alberta was self-sufficient. Can we depend on what he says? There is no oil shortage in Alberta and consequently no rationing would be needed there.

Mr. CRERAR: Rationing is in effect.

Mr. HANSON (York-Sunbury): I know it is in effect, but possibly for another reason.

Mr. CRERAR: It is in effect for this reason, that the oil from Alberta can be distributed over a wider territory to serve the needs not only of industry but of agriculture as well. That has changed the whole situation. We do not know what is ahead of us in regard to oil production, and I am passing on to the house only the information that was given me and which I believe is correct. It was given by both sides to the controversy, or to the differences that have existed in the past, and that was as regards the stability which would be secured through the ratification of the amendment to the agreement would be a factor in promoting development. This ratification, may I remind the house, was given in the Alberta legislature practically unanimously, and in that legislature they are not all supporters of the Social Credit government. In fact, there is considerable opposition, I believe, in the Alberta legislature. But according to the information given me it was approved in the Alberta legislature practically unanimously, and I submit that those who had opposed to the Social Credit government there, who come from various parts of the province, would be probably just as jealous, just as desirous and anxious to protect the rights of these leaseholders, as the leader of the opposition or any other member of this house. I think that is a fair statement.

Mr. BENCE: The point is that the province of Alberta would not give that stability unless they had this legislation.

Mr. CRERAR: The royalties were fixed at 10 per cent. It did not matter whether a person drilled a well in Alberta, if he had any dominion lease he paid the royalty of 10 per cent. There is no question about that. It was felt, though, that in some fields a royalty of 10 per cent might be too high at the beginning. That principle was recognized in the first royalties established by the federal government in 1920 when it stated that for the first few years the royalty should be on a lower scale than it would be in succeeding years. But under the agreement, that is under the assumption that section 2 was good law or protected leaseholders, the Alberta government did not have the power to vary royalties on those leases. So it wants to achieve two things; the power to vary the royalties from 5 to 15 per cent, or, if the leaseholder prefers, he can take a royalty of 12½ per cent. I think I am correct in stating that the usual oil lease of a similar nature in the United States carries 12½ per cent and sometimes 15 per cent royalty.

Mr. HANSON (York-Sunbury): That has nothing to do with this.

Mr. CRERAR: Except that it is an indication of how these things are valued.

This amendment will give stability for ten years. What is the alternative? Perhaps lengthy actions in the courts, the higher court in Alberta, the Supreme Court of Canada, ultimately the privy council, to decide the question; and that might take two years or more. During that time there is uncertainty, indecision and lack of development. The oil interests recognize that. I admit that there may be something to the argument of the

hon. member for Saskatoon and that some holders of dominion leases who are also holders of provincial leases wanted to have some security in the fixation of the royalties on their provincial leases. Well, is that going to hurt development; is that going to hurt anyone? I cannot see it.

Mr. BENCE: But that might have been given without discriminating against these minority leaseholders.

Mr. CRERAR: There cannot be discrimination against anyone. Wherein does the discrimination lie?

Mr. HANSON (York-Sunbury): In raising the royalties of the old leaseholders illegally.

Mr. CRERAR: I submit there is no discrimination. I submit that that very fact will tend to stability and to development, which is something we all want and is greatly needed in this country.

The leader of the opposition argued at considerable length that we were violating a contractual right, or that we were consenting parties to the violation of an understanding that these leaseholders had when they took their leases. I dispute that. We are not violating that, because these leaseholders took their old federal leases on the distinct understanding, explicitly stated in the lease, that the terms of royalty could be varied by the federal government. There is no question of that. As I have said, it is a question whether or not the federal government in section 2 passed that authority over to the provincial government. That is a question which could be settled by the courts, and as a matter of fact that was the question which was sought to be settled by the courts in the reference made in the higher court in Alberta.

Mr. HANSON (York-Sunbury): Why was it not left to the courts to determine, rather than coming here?

Mr. CRERAR: One of the chief reasons, as I have stated twice already this evening, is to get a measure of stability which would lead to development, and get production which is badly needed.

Mr. HANSON (York-Sunbury): This has been going on for two years, and during that time they could have gone to the courts.

Mr. CRERAR: The question would probably have been fought through the courts. When you find a considerable majority of the active leaseholders in areas where oil is likely to be found, in support of this measure, it is something which should not be thrown lightly aside. I ask the hon. member for Saskatoon City to take my word for that, because I saw the list and I had the representations made to me by the gentlemen who acted on their behalf. When they had agreed to this; when they along with the Alberta government are asking for it; when they got together and settled it in that manner, I think we shall not make any mistake in ratifying that understanding.

Mr. HANSON (York-Sunbury): They agreed on the theory that if they did not consent, something worse would happen. That is a species of duress. Individuals are afraid of governments.

Mr. CRERAR: If that were the case, why did they change their attitude from that of the year before? I want my hon. friend to accept my statement that the people who made representations against it a year ago were those who came and made representations in favour of it this year.

Mr. HANSON (York-Sunbury): I have given the answer; the answer is that if they did not agree to it, something worse would happen to them.

Mr. CRERAR: I have never had that suggestion made. I do not think there is anything to it.

Mr. HANSON (York-Sunbury): I know there is.

Mr. BENCE: Was the agreement not arrived at as a result of negotiations which resulted in these leases set out in the schedule to the bill being set at a limit of 10 per cent? Is that not part of the quid pro quo?

Mr. CRERAR: No; the reason for that was, as I stated in my opening remarks, that these leases have been developed and financed on that basis; that was a concession they were able to get—

Mr. BENCE: It was a concession, though.

Mr. CRERAR: Well, I would not say concession; it was an understanding that was reached. But there is another point. I cannot help feeling that there is in the minds of at least some hon. members a doubt as to the manner in which the Alberta government might deal with these leaseholders. In other words, there is a feeling that the Alberta government perhaps cannot be trusted to do the right thing in the way other governments might be. I am not passing any judgment on the merits or demerits of that point of view. But there is not a province in Canada outside of the prairie provinces that did not have and has not to-day complete control of its resources. For example, if they find oil in New Brunswick the provincial government can assess royalty of 5 per cent or 50 per cent; there is no question about its power, or that of Ontario, British Columbia, Quebec

or any other province except the three prairie provinces. The question has yet to be settled as to whether legally the restraints are placed on the provincial governments of the prairie provinces that some people think are implicit in section 2 of the transfer agreement.

Mr. HANSON (York-Sunbury): What about the point of compensation under the arbitration?

Mr. CRERAR: Really I do not think the question of compensation applies to oil leases. I believe I am correct in saying that there was no oil discovered in Turner valley when the resources were transferred to Alberta. There was gas in large quantities.

Mr. HANSON (York-Sunbury): When was the arbitration?

Mr. CRERAR: The arbitration was in 1930.

Mr. COLDWELL: Oil was discovered in the Turner valley about 1911 or 1912—that is gasoline, not crude oil; I will correct myself to that extent. Crude oil was discovered much later.

Mr. MacNICOL: Gasoline does not come from the ground.

Mr. CRERAR: It is only within the last twelve or fifteen years that crude oil has been developed in Alberta. I am pretty sure of that, because I have a recollection of investing some money a number of years ago in the expectation of helping to develop an oil well, and my expectations went for naught.

There was one other point raised by the hon. member for Saskatoon City. There was a question whether any dominion leases were outstanding on the tar sands in northern Alberta. I speak subject to correction, but my definite impression is that no dominion leases are outstanding on those tar sands. Any leases that have been issued were issued subsequent to the transfer of the resources to Alberta.

I do not know that I have much more to say. As I said earlier, I have no hesitation in recommending this legislation to the house. I do not think any injury is going to be done to any interests. I think the people who are mainly affected desire it. I believe it is in the public interest to stabilize the situation in Alberta by this measure. This should be done in order to get the production of oil which is so badly needed in these days.

Mr. DEPUTY SPEAKER: Shall the motion carry?

Mr. HANSON (York-Sunbury): On division.

[Mr. Crerar.]

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

On section 1—Short title.

Mr. ROSS (Calgary East): Perhaps I should make some observations now that I hoped to make on the motion to go into committee. I suggest to the minister that instead of proceeding with this bill now, he have it referred to one of the standing committees. My reason for asking this is that I should like to hear witnesses and counsel for the different interested parties. I think interested parties should be given a chance to be heard. Pursuant to the agreement under which the natural resources were turned over to the province, a number of lessees feel that they have the right to have their royalties continued at 10 per cent. The province challenges this right. Whether the lessees are correct or whether the province is correct, I shall not discuss here; but assuming that the lessees are correct, there are a number of lessees—I thought there were seven hundred of them—whose contracts will be broken by the province of Alberta if we pass this legislation. Apparently the number of lessees is less than I thought. However few or however many there may be, it is a serious matter for an individual to break his contract. But it is much more serious for a province to break its contract, and it is an extremely serious matter for this parliament to give its consent to a province breaking its contracts.

It has been urged by the minister that it is necessary to pass this bill in order to assist our war effort. If it will assist our war effort, then we should go ahead and break these contracts, but we should compensate the people whose contracts are broken. For my part I should like to be shown how this will help our war effort. I gather from the discussion that it is thought this will stabilize the industry. I wonder if putting a ceiling on these leases would not stabilize the industry just as much as entering into an agreement of this kind to raise royalties would? Let us fix the royalties at what they were a year ago; let us fix them at the 10 per cent which is all these people have had from the time oil was first discovered in Turner valley. If a ceiling were put on, it should stabilize the industry for the duration of the war. That is the proper way to attempt to stabilize the industry. The oil controller can deal only with movable property, with the oil, with the product; he has no control over leases. But this government has control over leases. I wonder if the oil controller considered a fixed ceiling on leases when he expressed the opinion that it

would stabilize the oil industry if this legislation were passed. I should like to see this bill go before a committee of this house where we can find out what his opinion really is in so far as this particular phase of the matter is concerned.

One of the companies opposed to this legislation has a great many oil leases that will be affected by the legislation. The name of this company is Okalta Oil company which was organized by W. S. Herron, who was a pioneer in that field. I doubt if there would be a Turner valley oil field to-day if it were not for W. S. Herron. He and Mrs. Herron sacrificed a great deal and suffered many hardships to acquire these leaseholds, develop this oil field and bring it to the point where it is to-day. If we pass this legislation, their holdings will be affected seriously. If it is in the interests of the war effort that we should pass the legislation, then we should compensate these people and others affected for their losses. This compensation should be paid either by the provincial government or by this government. The losses of these people will be in the tens of thousands of dollars; I suppose $100,000 would be a moderate figure at which to fix them, but the uncertainty is so great that one cannot fix them with any definiteness. I submit that the Okalta Oil company and others should have the privilege of appearing before a committee of this house to state their case.

There is another class of case to which I should like to refer. Sixty persons invested $11,200 in 2½ per cent royalties in small holdings in the Turner valley field. They are advised by counsel, so I am instructed, that if this legislation passes, this 2½ per cent will be wiped out. I shall give some more particulars with regard to it, so that hon. members may see how it will be wiped out. There was a dominion lease granted under which a 10 per cent royalty was reserved. A 2½ per cent royalty was then sold to these sixty people for $11,200, paid in cash. The other 87½ per cent was turned over to a company. The property has been developed, and a good producing well now exists on it. The position now is that they are advised by counsel that if this legislation goes through, and that 2½ per cent additional royalty is taken by Alberta, the 2½ per cent royalty bought and paid for by these sixty people will be lost to them. Who is going to compensate them? It seems to me that they should be compensated. I say it will be lost to them, because their names do not appear in the schedule among those who are being protected.

For these reasons I urge the minister to move that the committee rise, and that the matter be referred to one of the smaller standing committees of the house which can hear evidence. These sixty people should be represented and should have a chance to be heard before a committee of the house. I submit, too, that the Okalta Oil company should have a chance to be heard.

The CHAIRMAN: In the consideration of a section of the bill I do not think it is in order to move that the committee rise and that the bill be referred to another committee. The house has determined that this bill should be referred to committee of the whole. When the committee of the whole reports, the hon. member might move that the report be not now received, but that the bill be referred to another committee. This is not the stage, however, at which such a motion can be made. It is not permissible for committee of the whole to discharge an order in that way.

Mr. BENCE: I wish to make one further point. Certainly I would not want anything I said to have the effect of in any way slowing up the war effort or slowing up the production of oil in the oil fields of Alberta. The point which I endeavoured to make, and which I shall repeat is this, that I thought the same results could be obtained and protection could be given to these minority leaseholders. I felt that the province of Alberta was—and I use the expression advisedly—wielding the big stick, to a certain extent, with respect to provincial leaseholders who held dominion leases, in order to get this legislation through. I felt that if the Alberta government had been willing to give a little more, and protect the dominion leaseholder, with respect to the matters on which we have been speaking, the same results could have been obtained and equity would have been retained for the minority leaseholders.

Mr. COLDWELL: I should like to say a few words on this bill because, as I understand it, both the province of Alberta through its government and the dominion government have reached an agreement which is as satisfactory, I suppose, as any agreement that could have been negotiated between them.

I would draw this to the attention of the committee that this again illustrates the whole situation regarding our natural resources. When the resources are returned to the jurisdiction of the provincial government, that government should have jurisdiction over those resources, and any strings attached to the return ought to be strings that can at least be cut by the province under conditions which the province and the others concerned may agree upon at a later date.

I do not believe in confiscation, but I do believe this, that the natural resources which

are the common heritage of the Canadian people are fast being acquired and held in a manner which is against the best interests of this country. I dealt very briefly the other afternoon with oil leases which had been in the hands of a company for a number of years, and about which probably the minister will be able to report on another occasion. We have had so many instances in this dominion of our rich resources being exploited by small groups of people who have acquired them in one way or another and which have not benefited this country as they might have done. We have now a great new resource, a resource which was first of all indicated by the naphtha discovery in 1911 or 1912, and then by the crude oil very much later; I think the minister was right when he said about 1930.

It seems to me that instead of discussing the question of leases and royalties, we ought to be finding out upon what basis we can restore this great resource to the Canadian people, so that in this time of stress and strain and in the post-war period we can utilize this resource for the building up of a better Canada. I dislike very much sitting and hearing discussions in this house and seeing bills which, though they may not be designed to do so, nevertheless have the effect of still keeping away from the Canadian people the right to benefit wholly from the resources which nature has placed in this dominion and under its soil.

I realize, of course, that we live under a system which is based on property rights. I do not believe in taking property rights away without compensation, that compensation to end within a measurable period of time. I realize that we live under such a system and that it is very difficult to get away from it. But I want to lift my voice in this house to say briefly to-night that this alienation of our natural resources to private interests should cease and that we should find ways and means of restoring resources of this kind to the Canadian people in order that they may be used for the benefit of the Canadian people.

Section stands.

Progress reported.

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

Wednesday, May 27, 1942

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

[Mr. Coldwell.]

WARTIME PRICES AND TRADE BOARD—PRINTING

Mr. FRASER (Peterborough West):

1. What is the cost per month of all the printing and the mimeographing done by or for the wartime prices and trade board?
2. How much has been expended to date on this work?
3. What are the names of those responsible for the material used in the news summary of the wartime prices and trade board?

Mr. ILSLEY:

1. For fiscal year terminated March 31, 1942:

April	$ 6 25
May	99 53
June	996 08
July	730 41
August	127 36
September	567 89
October	865 74
November	2,397 32
December	980 32
January	2,673 55
February	11,237 30
March	57,810 55
2. Total	$78,492 30

The enlarged expenditure during February and March is accounted for by the accumulation of accounts covering previous months' commitments, together with increased activity of the board following the introduction of the price ceiling legislation.

3. Mrs. Hathaway of the staff reports section, secretarial branch.

SHELBURNE, N.S., BOOM DEFENCE DEVELOPMENTS

Mr. BLACK (Cumberland):

1. What contracts have been let in connection with the boom defence developments at Shelburne, Nova Scotia?
2. How many men are being employed by the government?
3. What are the classifications and pay, (a) regular, (b) overtime, (c) Sundays?
4. Is any technical or expert help employed? If so, what are their names and rates of pay?
5. Who is in charge of this operation and what remuneration and expenses have been paid?
6. Has there ever been a surplus of men employed?

Mr. MACDONALD (Kingston City):

1. (a) Rental of tug "Alice" from Foundation Co. of Canada (two parts), $6,375.00; $3,875.00. Total $10,250.00. (b) Construction of boom layout grounds—M. A. Condon and Sons, Ltd., $19,050.00. (c) Anti-submarine net—Foundation Co. of Canada, $29,439.00.

2. Gate vessels, attendant and work boats, tugs, etc., are manned by naval personnel. In addition to naval personnel, thirty-four civilians are employed at the boom defence depot, Shelburne, N.S.

3. Naval personnel are paid the pay and allowances of their rank or rating. Civilian

personnel are paid at the following rates: One foreman, 75 cents per hour; one chargehand, 70 cents per hour; one crane operator, $1.00 per hour; one blacksmith, rate of pay not yet available; fifteen riggers, 65 cents per hour; four skilled labourers, 51 cents per hour; three unskilled labourers, rate of pay not yet available; one civil servant, clerk, $1,080 per annum; six civil servants, watchmen, $900 to $1,080 per annum; one civil servant, driver, $1,200 per annum. Employees on hourly rates are paid time and a half for overtime and double time for Sundays. Personnel on annual rates are not paid any overtime.

4. No.

5. A naval officer who receives the pay and allowances of a mate, R.C.N.R., is in charge of operations.

6. No. The number of employees has fluctuated frequently due to seasonal activities and alterations in the location of defence.

WARTIME HOUSING—ST. CATHARINES AND MERRITTON SUBDIVISION

Mr. CASTLEDEN:

1. What different types of houses were erected under wartime housing at St. Catharines and the Merritton subdivision?
2. How many of each type have been built?
3. What is the average cost of each type?
4. What construction firm received the contract for the building of these houses?
5. What is the monthly rental charged for each type of house?

Mr. HOWE:

1. St. Catharines, H1 and 2, H11 and 12, H21 and 22; Merritton, H1 and 2, H11 and 12.

2. St. Catharines, 178—H1 and 2; 20—H11 and 12; 15—H21 and 22. Merritton, 34—H1 and 2; 8—H11 and 12.

3. Average cost of the completed houses to date May 24, 1942, at St. Catharines: H1 and 2, $1,779.97; H11 and 12, $2,336.34; H21 and 22, $1,875.

Average cost of houses under construction at St. Catharines: H1 and 2, $1,891.07; H11 and 12, $2,560; H21 and 22, $2,058.33.

Average cost of houses under construction at Merritton: H1 and 2, $1,820.14; H11 and 12, $2,441.67.

4. The Redfern Construction Co. Limited.

5. H1 and 2, $22; H11 and 12, $30; H21 and 22, $25; with the exception of the Victoria Park project at St. Catharines which is $2 per month less than the above on each type of house.

BREWERIES AND DISTILLERIES—EXCESS PROFITS TAX

Mr. CRUICKSHANK:

1. Has any brewery or distillery been permitted to pay arrears of dividends since 1939 out of current earnings?
2. If so, were they allowed to deduct these payments from excess profits tax?
3. Has any brewery or distillery been permitted to retire debentures before the due date, since 1939, out of earnings?
4. If so, were these payments deducted from excess profits tax?

Mr. GIBSON:

1. No information.
2. If paid, no.
3. No information.
4. If paid, no.

PRICE CEILING—CITRUS FRUITS AND FRUIT JUICES

Mr. CRUICKSHANK:

1. Is any subsidy now being paid on any citrus fruit or its by-products?
2. Is any subsidy being paid on (a) apple juice, (b) tomato juice?

Mr. ILSLEY:

1. Fresh fruits have never been eligible for import subsidy. Canned citrus fruits were ruled ineligible on January 1, 1942. Citrus fruit juices were ruled ineligible on May 11, 1942.

2. (a) Yes, on domestic production; (b) Yes, on domestic production.

GASOLINE RATIONING—NURSERY, LIQUOR AND INSURANCE SALESMEN

Mr. CRUICKSHANK:

1. What general gasoline category is allotted to nursery, liquor and insurance salesmen?
2. Are any special categories allowed to such salesmen?
3. If so, to whom, what category and what firms do they represent?
4. What gasoline category is allowed to stock and bond salesmen?
5. Are any special categories allotted to any of the above?
6. If so, to whom, what category and what firms do they represent?

Mr. HOWE:

1. Nursery salesmen—category A; liquor salesmen—category A; insurance salesmen other than life insurance—category A; life insurance salesmen—up to category C upon proof of necessity.

2. Answered by 1.

3. All salesmen in nursery, liquor and insurance categories are treated on the same basis. The names of the firms represented are not readily available.

4. Stock salesmen—category A; bond salesmen up to category C upon proof of necessity.

5. Answered by 4.

6. Names of firms represented are not readily available.

HONG KONG COMMISSION—GEORGE DREW

Mr. POULIOT:

What was the arrangements between the government and Mr. George Drew, K.C., regard-

ing, (a) the remuneration, (b) the living allowances, and (c) the travelling expenses of the Hon. George Drew for attending the Hong Kong probe?

Mr. MACKENZIE KING: There has been no arrangement between the government and Mr. George Drew, K.C., for attending the Hong Kong inquiry commission.

Pursuant to section 11 of the Inquiries Act, chapter 99 Revised Statutes of Canada, 1927, a commissioner appointed under the act has full authority to engage counsel to aid and assist in the inquiry. This power is specifically mentioned in P.C. 1160, February 12, 1942, appointing the Right Hon. Sir Lyman Poore Duff, P.C., C.M.G., a commissioner under the Inquiries Act.

NATIONAL WAR SERVICES—COMMITTEE ON COOPERATION IN CANADIAN CITIZENSHIP

Mr. WINKLER:

1. Who comprise the cultural relations committee in the Department of National War Services?

2. What are their qualifications and salaries?

3. When were the appointments made?

Mr. THORSON:

1. There is no cultural relations committee in the Department, so named, but there is a committee on cooperation in Canadian citizenship. The chairman of this committee is Professor G. W. Simpson, senior adviser to the Director of Public Information. Professor Simpson has been connected with the University of Saskatchewan for nineteen years and is, at present, head of the Department of History. Mr. Tracy Philipps, adviser to the Director of Public Information, is European adviser of the committee. He is an expert on recent political conditions in southern and eastern Europe. The members of the committee are as follows:

Professor H. F. Angus, of the University of British Columbia, now attached to the Department of External Affairs, appointed December 13, 1941.

Honourable C. H. Blakeny, Minister of Education in New Brunswick, appointed December 10, 1941.

Major J. S. A. Bois, Professor of Philosophy, University of Montreal, now personnel consultant in the Canadian army, appointed December 31, 1941.

Professor Jean Bruchesi, author and educationalist, appointed April 14, 1942.

[Mr. Pouliot.]

Mr. D. Cameron, Director of Extension Work, University of Alberta, appointed December 27, 1941.

Dr. S. D. Clark, Lecturer in Sociology, University of Toronto, appointed January 15, 1942.

Mr. Robert England, Department of Pensions and National Health, executive secretary to the rehabilitation committee, appointed December 11, 1941.

Mr. J. Murray Gibbon, author of "Canadian Mosaic", appointed December 9, 1941.

Professor Watson Kirkconnell, Professor of Literature, McMaster University, appointed December 10, 1941.

Mr. Tracy Philipps, D.C.L., F.R.I.A., foreign diplomatic correspondent, appointed November 27, 1941; salary, $4,392 per annum.

Mrs. R. F. McWilliams, fromer Winnipeg city councillor and social worker, appointed December 12, 1941.

Professor G. W. Simpson, head of the History Department, University of Saskatchewan, appointed November 1, 1941; salary, $4,500 per annum.

Mrs. O. D. Skelton, author and educationalist, appointed February 4, 1942.

All members, except where otherwise stated, serve without salary, but all receive out-of-pocket travelling expenses incurred while on official business of the committee.

2. See answer to 1.

3. See answer to 1.

NAVAL SERVICE PERSONNEL LISTED IN DEFENCE TELEPHONE DIRECTORY

Mr. MACDONALD (Kingston City): I should like to submit an answer to a question which, though it did not appear on the order paper, was asked by the hon. member for Témiscouata (Mr. Pouliot) on May 11, during the course of the debate on the appropriation bill, and appears at page 2292 of *Hansard*. It has reference to the number of bilingual employees whose names are listed in the telephone directory.

So far as the naval service is concerned, there are 326 names listed in the directory in question. Of these, 280 have resided in Canada during the past 5 years, of whom 60 are bilingual and 220 are not bilingual. Eleven persons listed have not resided in Canada for the past 5 years, and of this number one is bilingual and 10 are not bilingual. Thirty-five naval officers whose names appear in the directory have been drafted away from naval service headquarters since the directory list was prepared and details are not available.

NAVAL SERVICES—SYLLABUS OF TRAINING FOR PROBATIONARY SUB-LIEUTENANTS

Mr. MACDONALD (Kingston City): I should like to table a document, the syllabus of training for probationary sub-lieutenants, in answer to a question asked by the hon. member for St. John-Albert (Mr. Hazen). It is rather lengthy and perhaps it would suffice to print it in *Votes and Proceedings* rather than in *Hansard*.

Mr. HANSON (York-Sunbury): It would cost the same to print it in *Hansard*, and it would be much more convenient there.

Mr. MACDONALD (Kingston City): If the house so wishes, though it might clutter up *Hansard*.

Probationary Sub.-Lieutenants, R.C.N.V.R.
Short Gunnery Course
Duration—22 days

Officers Short Course "G"

The order in which the subjects are given to the officers under training varies considerably.

Number of days	
1 day	General Gunnery—(No Examination). Marks of respect. Gunnery Rates and Badges. Types of Ships. Complements. Organization. Degrees of Readiness. Preparation for action. Supply and Repair Parties. Stores briefly—differentiations.
3¾ days	Field Training—Exam. ¼ day—Marks 150. Squad Drill. Rifle Drill. Pistol Drill.
½ day	Ranges—(No Examination). Rifle shooting: application, rapid and snap. Pistol shooting.
1 day	Lewis Gun—Exam. ¼ day—Marks 50. Loading, aiming and firing a Lewis Gun. Immediate Action Routine for Stoppages. Care, Maintenance, Preparation for Firing and Cleaning of the Gun.
2¼ days	Director and Sights—Exam. ¼ day—Marks 100. Object and principle of Gun Sights. Types of Sights. Corrections required and how made at 4·7″ Q.F., 4″ B.L., and Q.F., and 12-Pdr. Guns. Distant object Sight Test Principles of Director Firing. Corrections necessary and how made with general description of "Light" "Repeat W" and "H" types Directors and Receivers—Very briefly. Use, care and maintenance of Sights, Telescopes and Binoculars.
3¼ days	Fire Control—Exam. ¼ day—Marks 150. Terms used in Fire Control. The Fire Control Problem as it affects an O.O.Q. Standard Methods of Passing Orders. Sequence of Orders. The Dumaresq. Fire Control System in Destroyers. Instruments and Crews. Methods of Firing and Control—Very briefly. Spotting Rules for:—(a) O.O.Q. controlling two or more guns. (b) O.O.Q. controlling a Single Gun. (c) Gunlayer's Control. Night Action as it affects an O.O.Q. Organization for Night Fighting, Range for the Night—Very briefly.
3 days	Gun Drill—Exam. ¼ day—Marks 150. 1½ days—4″ Q.F. 1 day—4″ B.L. ¼ day—12-Pdr. ¼ day— 2-Pdr. Pom Pom. (Including missfires.)
2 days	Stripping—Exam. ¼ day—Marks 100. General arrangement of "P" and "C.P." Mountings. Breech Mechanisms 4·7″ Q.F., 4″ Q.F., 4″ B.L., 2-Pdr. Pom Pom, and 12-Pdr.—Briefly. Preparations for Firings, Care and Maintenance.
1½ days	Ammunition—Exam. ¼ day—Marks 50. Brief description of B.L. and Q.F. charges, types of shell, fuses and tubes used. Care of Explosives, disposal of charges removed from guns, embarking ammunition. Fireworks. Typical flooding, spraying and ventilation arrangements in a magazine and shell room. Magazine Logs.
1¼ days	Close Range High Angle—Exam. ¼ day—Marks 50. Types of aircraft and attacks. Defensive Measures. Close Range Weapons, capabilities, methods of use and ammunition used. Eye-shooting Sights. A.A. Lookouts. Close range barrage with single HA/LA Gun.
½ day	Rangefinder—(No Examination). Principles and limitations of Coincidence Rangefinder. Rangefinder Errors, Testing and Correcting—Very briefly. Care and Maintenance of Rangefinder—Very briefly.
6 hours	Night Lookout Table—(No Examination). 6 hours during the course.
2 runs	Shooting Teacher—(No Examination). 2 runs during the course.

Total days of instruction..... 20
Total days of examination..... 2

Total days..... 22
Total marks..... 800

PROBATIONARY SUB-LIEUTENANTS, R.C.N.V.R. PILOTAGE COURSE

DURATION—4 WEEKS

FIRST WEEK

Period	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday	
	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2
0830—0940 1	Introductory Lecture Issue of Books		Instru-ments	Chart-work	Chart-work	Plane Sailing	Plane Sailing	Chart-work	Chart-work	Plane Sailing	Day's Work	Chart-work
0950—1100 2	Definitions (Geographic)		Instru-ments	Chart-work	Chart-work	Plane Sailing	Plane Sailing	Chart-work	Chart-work	Plane Sailing	Chart-work	Day's work
1110—1215 3	Compass and Binnacle		Lights, Buoys and Beacons		Sextant (Rm. 2)	Rule of the Road	Rule of the Road	Sextant (Rm. 2)	Magnetism		Rule of the Road	
1330—1440 4	Deviation and Variation (In Chartroom)		Chart-work	Instru-ments	Plane Sailing	Chart-work	Chart-work	Plane Sailing	Plane Sailing	Chart-work		
1450—1600 5	Deviation and Variation (In Chartroom)		Chart-work	Instru-ments	Plane Sailing	Chart-work	Chart-work	Plane Sailing	Plane Sailing	Chart-work		

SECOND WEEK

Period	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday	
	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2
0830—0940 1	Chart-work	Day's work	Day's work	Chart-work	Chart-work	Mer. Sailing	Mer. Sailing	Chart-work	Chart-work	AZ	Chart-work	AZ
0950—1100 2	Chart-work	Day's work	Day's work	Chart-work	Chart-work	Mer. Sailing	Mer. Sailing	Chart-work	Chart-work	AZ	AZ	Chart-work
1100—1215 3	Supply and Correction of Charts		Supply and Correction of Charts		WT/DF		WT/DF		Mid-Term Examination		Review	
1330—1440 4	Day's work	Chart-work	Chart-work	Day's work	Mer. Sailing	Chart-work	Chart-work	Mer. Sailing	AZ	Chart-work		
1450—1600 5	Day's work	Chart-work	Chart-work	Day's work	Mer. Sailing	Chart-work	Chart-work	Mer. Sailing	AZ	Chart-work		

THIRD WEEK

Period	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday	
	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2
0830—0940 1	AZ	Chart-work	Chart-work	AZ	Mer. Alt.	Chart-work	Chart-work	Mer. Alt.	Mer. Alt.	Chart-work	Chart-work	Review
0950—1100 2	AZ	Chart-work	Chart-work	AZ	Mer. Alt.	Chart-work	Chart-work	Mer. Alt.	Mer. Alt.	Chart-work	Review	Chart-work
1110—1215 3	Ship Construction		Ship Construction		Ship Handling		Gnomonic and Mercator's Charts		Fog Publications			
1330—1440 4	Chart-work	AZ	AZ	Chart-work	Chart-work	Mer. Alt.	Mer. Alt.	Chart-work	Chart-work	Mer. Alt.		
1450—1600 5	Chart-work	AZ	AZ	Chart-work	Chart-work	Mer. Alt.	Mer. Alt.	Chart-work	Chart work	Mer. Alt.		

[Mr. A. L. Macdonald.]

PROBATIONARY SUB-LIEUTENANTS, R.C.N.V.R. PILOTAGE COURSE—*Con.*
DURATION—4 WEEKS
FOURTH WEEK

Period	Monday		Tuesday		Wednesday		Thursday		Friday		Saturday	
	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2	Sect. 1	Sect. 2
0830—1940 1	Tides	Chart-work	Chart-work	Tides	Tides	Chart-work	Chart-work	Review	Chartwork Examination			
0950—1100 2	Tides	Chart-work	Chart-work	Tides	Tides	Chart-work	Chart-work	Review	Chartwork Examination			
1110—1215 3	Meteorology		Meteorology									
1330—1440 4	Chart-work	Tides	Tides	Chart-work	Chart-work	Tides	Review	Chart-work	Written Examination			
1450—1600 5	Chart-work	Tides	Tides	Chart-work	Chart-work	Tides	Review	Chart-work	Written Examination			

OFFICERS SHORT SIGNAL COURSE
DURATION—3 WEEKS
FIRST WEEK

1st Week	0815-0900	0915-1030	1040-1145	1315-1430	1440-1545	1600-1645
Mon.	Colours and Significations of Flags and Pendants. Naval Code		V/S Practical	Colours and Significations of Flags and Pendants. Naval Code		V/S Practical
Tue.	Morse Code, and Special Signs. V.S.I.		V/S Practical	Principal Definitions. C.O.F. and G.S.I.		V/S Practical
Wed.	Principal Distinguishing Signals and Their Uses		V/S Practical	Colours of Flags and Pendants. International Code.	Construction of a V/S Message	V/S Practical
Thur.	Colours of Flags and Pendants International Code and General Arrangement and Instructions for use of International Code.		V/S Practical	Practical Coding International Code.	Stationing Sigs.	V/S Practical
Fri.	Principal Manoeuvering Signals		V/S Practical	Use of Letter Procedure Signals. V.S.I.		V/S Practical
Sat.	Test Paper					

SECOND WEEK

2nd Week	0815-0900	0915-1030	1040-1145	1315-1430	1440-1545	1600-1645
Mon.	E.D.P. Recognition Signals		V/S Practical	Signalling by Flashing. (Elementary)	Flashing by Flags. (Elementary)	V/S Practical
Tue.	Definitions G.S.I. 18, 19, 23, 38-46.	Care and Custody of Books	V/S Practical	A.V.S.B. Part I and Minesweeping App. General Arrangement and Instructions for Use.		V/S Practical
Wed.	Care and Custody of Books. G.S.I.	Executive Signals. G.S.I. 99, 100, 109. Sig. Lanterns, Guns and Rockets. V.S.I.	V/S Practical	A.V.S.B.	Coding. Naval Code	V/S Practical
Thur.	Care and Custody of Books.	Cyphers and Code in General. C.I. 1, 2, 16-29, 32 and App. A.	V/S Practical	Fleet Code and A.B.C. Tables, Instructions for Use. Practical Coding with these Books and F.S.B.		V/S Practical
Fri.	Particular Instructions for Destroyers C.O.F.		V/S Practical	Coding M.N.C. Coding. Naval Code.		V/S Practical
Sat.	Test Paper					

OFFICERS SHORT SIGNAL COURSE—*Con.*

DURATION—3 WEEKS

THIRD WEEK

3rd Week	0815-0900	0915-1030	1040-1145	1315-1430	1440-1545	1600-1645
Mon.	N.A.C. Syko, Pendant List, Operating Signals, Boats Sig. Book. D.S.T.		Coding	Emeny Reports and Distress Messages		V/S Practical
Tue.	E.D.P. Recognition Signals. V.C.-V.F.	E.D.P. Recognition Signals. V.C.-V.F.	Coding	Initiating and Drafting Messages	(SSO)	V/S Practical
Wed.	Special Signals Displayed on Various Occasions. G.S.I.		Coding	Care and Custody of Signal Books.		V/S Practical
Thur.	Warship and Aircraft Silhouettes and Recognition		Coding	Enemy Reports and Distress Messages		V/S Practical
Fri.	W/T Organization and Equipment (SSO)		Coding	Examination		V/S Practical
Sat.	Examination					

Probationary—Sub.-Lieutenants, R.C.N.V.R.

Torpedo Course

Duration—3 Weeks

Torpedo Course—Remarks

1. As much practical experience at sea as possible is carried out throughout the course. This is dependent on the season of the year and the Tenders available.

2. Saturday forenoon of the first and second week will be devoted exclusively to practical Seamanship at H.M.C.S. *Kings*.

First Week

Monday: Whitehead.
General outline of the Torpedo. History. Development and capabilities.

Tuesday: Whitehead.
Depth-keeping mechanisms. Gyroscopes. Discharges.
Theory—The Torpedo Control problem.

Wednesday: Explosives.
Tests. Stowage regulations. Demolitions.

Thursday: Depth Charges.

Friday: Depth Charges.
Discharges, Primers, Pistols.

Second Week

Monday: Minesweeping.
Paravanes. "A" Sweep. Oropesa.

Tuesday: Organization of Torpedo Department.
Personnel. Material.

Wednesday: Electricity. High Power. Search Lights.

Thursday: Electricity.
Low Power. Fire Control Circuits. Batteries.

Friday: Electricity.
Degaussing. Magnetic Minesweeping.

[Mr. A. L. Macdonald.]

Third Week

Monday to Friday (Inclusive):
Standard 5½-day Anti-Gas and Chemical Warfare Course.

Saturday (a.m.):
Examination covering work of whole Torpedo Course.

Probationary Sub.-Lieutenants, R.C.N.V.R.

Anti-Submarine Course

Duration—1 Week

1. Early History. Limitations and Capabilities.

2. Tactical requirements. Analysis of echoes. Conduct of the hunt. Counter attacks.

3. Signals used. Depth Charge Patterns, and when used.

4. Operating procedure.

5. Organization of A/S personnel. A/S sets (Type 123A, etc.).

6. Directing Gear. Oscillator, Recorder, etc.

7. Attack Teacher.

8. Search Schemes.

9. Torpedoes. Avoiding action. Screening. General Notes on Submarines.

10. Transmission Units. Echo-Sounding. Exercising with own Submarines. A/S Harbour Defences. General Review.

11. Examination (Written).

Probationary Sub.-Lieutenants, R.C.N.V.R.

Seamanship Course

Duration—1 Week

Seamanship Course—Remarks

(a) As much Practical Boat Work as possible is carried out throughout the course. The number of hours is dependent on the season of the year and the boats available.

(b) Officers under training receive instructions in practical boat work in Service Cutters and Whalers, under oars and sail.

(c) Week-end cruises are undertaken in the auxiliary yawl H.M.C.Y. *Glencairn,* whenever possible.

(d) Visits are made to different classes of war ships during the Pilotage Course.

(e) During the period allocated to training at sea, Officers carry out the duties of Officer of the Watch, Quarter Master, Lookouts by day and night, in addition to attending organized instruction.

Day	A.M.	P.M.
MONDAY	Knots, Splices, Purchases Lights	Practical and theoretical Boat Work
TUESDAY	Rule of the Road	Anchors and Cables
WEDNESDAY	Cordage, Wires Rigging and Towing	Salvage and Rescue Work, including rafts. Watertight Doors and Fittings Damage Control 1700—Join Tender and proceed to sea
THURSDAY	Steering and Altering Course Duties of Bridge Personnel (PRACTICAL)	Steering and Altering Course Duties of Bridge Personnel (PRACTICAL)
FRIDAY	Lead and Line. Sounding Machines Letting go and weighing anchors (PRACTICAL)	Sea Boats. Hoisting and Lowering Sea Boats. (PRACTICAL) 1800—Return to Harbour
SATURDAY	EXAMINATION	

Probationary Sub.-Lieutenants, R.C.N.V.R.

Divisional Course

Duration—14 Weeks

(Two Evening Lecture periods of 1½ hours' duration per week for first 14 weeks)

Lecture Subjects

1. Discipline.
2. Rank and Command.
3. Customs of the Service.
4. Naval Regulations.
5. Organization (General).
6. Organization (Destroyer).
7. Organization (Minor War Vessels).
8. Cyphers and Codes.
9. Logs and Records.
10. Victualling and Canteen requirements.
11. Certificates and Forms.
12. Pay and Allowances.
13. A.R.P. Organization.
14. Anti-Submarine Operations (General).
15. R.D.F. (General).
16. Plotting requirements.
17. Duties of Officer of the Watch—1.
18. Duties of Officer of the Watch—2.
19. Duties of Officers.
20. Naval Discipline.
21. Convoys.
22. Duties of Divisional Officers.
23. 24. 25. 26. 27. 28. First Aid.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GASOLINE REDUCTION CARBURETTORS

Mr. ROY:

1. Have any carburettors for reducing gas consumption in automobiles, invented and patented in Canada since 1930, been sold to the government of the dominion or that of the United Kingdom, to individuals, companies, or in foreign countries?
2. If so, (a) by whom, (b) to whom, (c) at what price, (d) are they still in use, (e) where and how?

ALDERSHOT, N.S., MILITARY TRAINING GROUNDS

Mr. BLACK (Cumberland):

1. Were lands purchased in 1941 and 1942 for military training grounds at Aldershot, Nova Scotia?
2. If so, (a) from whom were such lands purchased, (b) acreage of each purchase, (c) amount asked by each owner and the amount paid?

MOTIONS FOR PAPERS

NATIONAL FILM BOARD—LEGAL ACTION BY MARCH OF TIME INC.

Mr. HOMUTH:

For a copy of all letters, telegrams, memoranda or other documents dated since July 1, 1941, in the possession of the Prime Minister, the Minister of National War Services, or any other minister of the crown or of the national film board or any member or official thereof with reference to any legal action or proposed legal action by March of Time, Inc., or the producers of the series of films known as "March of Time", against Loew's Incorporated, Warwick Pictures Incorporated and Moredall Realty Corporation.

NATIONAL FILM BOARD—EMPLOYMENT OF STAFF

Mr. STOKES:

For a copy of all rulings made by treasury board since November 1, 1940, on the question whether the National Film Board Act gives authority for employment of staff without prior approval of the establishment by treasury board and also on the question whether the National Film Board Act should be interpreted as applying to persons employed casually for the duration of individual projects and not to any person continuously employed.

Mr. ILSLEY: I have made inquiry, and I find that it has never been the practice to bring down what are called the rulings of the treasury board. These are merely letters written by the treasury board to departments or to ministers of departments, and are regarded as interdepartmental correspondence. There is no secret as to what treasury board wrote about this matter, so far as I know, but the letters themselves are not produced and, as I say, are regarded as privileged.

Mr. HANSON (York-Sunbury): I have no objection to the statement of general principle, that as a matter of right we could not get this ruling, but I happen to know that there has been a ruling in this particular matter and if the minister has no objection I should like to have it laid on the table. I should like him to consider that.

Mr. THORSON: The same question has arisen previously and will arise also in connection with the next motion. May I ask that this motion, as well as the next one, in the name of the hon. member for Saskatoon City (Mr. Bence) be allowed to stand so that consideration may be given to the matter.

Motion stands.

WHEAT ACREAGE REDUCTION BONUS—ORDERS IN COUNCIL

Mr. CASTLEDEN:

For a copy of all orders in council, regulations and instructions issued by the Department of Agriculture, between March 1, 1941, and May 15, 1942, concerning the wheat acreage reduction bonus.

CALGARY ROLLING MILLS

Mr. JOHNSTON (Bow River):

For a copy of all letters, telegrams, recommendations and other documents exchanged between the government and/or any department thereof, and corporations, companies and individuals, dealing in any way with the Calgary rolling mills, since 1938, to the present time.

Mr. GIBSON: This motion is worded in such general terms that it might be taken to include income tax returns. I must object to its being passed in its present form unless it is understood that income tax returns are not included.

Mr. JOHNSTON (Bow River): That is satisfactory.

MILITARY SERVICE

GRANTING OF LEAVE TO FISHERMEN DURING FISHING SEASON

On the orders of the day:

Mr. J. S. ROY (Gaspe): I wish to direct a question to the Minister of National War Services (Mr. Thorson). According to information I have received from fishermen syndicates and fish dealers on the Gaspe coast there is a shortage of fishermen and it is feared that they will not be able to fulfil the requisition of the British department of food for fresh cod fillet. Could not all the fishermen at present in the army be granted leave for the time of the fishing season?

Mr. SPEAKER: That is a question that should be placed on the order paper.

PRAIRIE FARM ASSISTANCE

INQUIRY AS TO PAYMENTS UNDER BONUS PLANS

On the orders of the day:

Mr. VICTOR QUELCH (Acadia): I wish to address a question to the Minister of Agriculture (Mr. Gardiner) based upon a matter of urgency. Just before coming into the house I received by air mail a letter from the town of Veteran, Alberta. I will quote one paragraph from it:

Dear Sir:

Owing to the dissatisfaction with the promised bonus payment, a meeting was called in Veteran on May 23, which was attended by a large body of farmers who had not yet received their bonuses. Some of these men had not received any bonus whatsoever.

Mr. SPEAKER: Order. That is evidently a question that should be placed on the order paper. The question has been asked several times in the house and I cannot see the degree of urgency which the hon. member claims.

Mr. QUELCH: Attached to this letter was a list of fifty-nine names of farmers who had not received the bonus.

Mr. SPEAKER: The question should be placed on the order paper.

HONG KONG COMMISSION

INQUIRY AS TO PRESENTATION OF REPORT

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): With due deference to those who are compiling it, may I ask the Prime Minister when we may expect the report from the Hong Kong commission? It has been so long in abeyance that the house and the country are anxious to receive it.

Right Hon. W. L. MACKENZIE KING (Prime Minister): There is only one person I know of in the world who can answer that question, and that is the chief justice who is the commissioner. The chief justice, I am sure, has been giving his closest attention to the proceedings of the commission and, as has been explained two or three times in the house, he has been obliged to wait until one of the counsel who appeared before him had an opportunity to file a brief which the chief justice was prepared to consider before making a final report. I believe that brief has come in. I cannot say with certainty but I understand that it has. I have no doubt that the chief justice will let the government have his report as soon as he has had an opportunity to consider this brief, and the moment the report is received it will be tabled—the next day.

Mr. COLDWELL: I understand the brief had been presented ten days ago.

Mr. MACKENZIE KING: I cannot say as to that.

MOTION FOR ADJOURNMENT

TO DISCUSS MATTER OF URGENT PUBLIC IMPORTANCE—RULED OUT OF ORDER

On the orders of the day:

Mr. LIGUORI LACOMBE (Laval-Two Mountains): In accordance with standing order 31 of the House of Commons I wish to move the adjournment of the house in order to discuss a definite matter whose urgency and seriousness demand public attention. While the country is at war and in these moments of exceptional seriousness, it is necessary that the French-Canadian element of the dominion—

Mr. SPEAKER: Order. The hon. member has invoked standing order 31. He rises in his place and makes a statement, asking for the adjournment of the house. He must then submit to the Speaker a written statement of the matter he proposes to discuss.

Mr. LACOMBE: This is my statement. It is not a speech; it is my statement under rule 31. It is a very brief statement, a copy of which I will send to the Speaker.

Mr. SPEAKER: I would refer the hon. member to section 1 of standing order 31 which he has cited:

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 are now on orders of the day; therefore a motion to adjourn to discuss a matter of urgent public importance is not in order at this stage.

Mr. HANSON (York-Sunbury): We have just called the orders of the day.

Mr. MACKENZIE KING: No, routine proceedings.

Mr. SPEAKER: We are on the orders of the day.

[Later:]

Mr. LACOMBE: Mr. Speaker, I rise to a point of order. According to standing order 31, leave to make a motion for the adjournment of the house—

Mr. SPEAKER: Order. I do not wish to deprive the hon. member of any of what he may consider his rights and privileges, but I have already given my ruling. We are now on a point of order on a matter that has already been settled. The incident must be considered as closed.

DEFENCE OF CANADA REGULATIONS

PRESS REPORT OF SPEECH DELIVERED IN MONTREAL BY MEMBER OF QUEBEC LEGISLATURE

On the orders of the day:

Hon. L. S. ST. LAURENT (Minister of Justice): Yesterday I promised to give an answer to a question put to me by the hon. member for Yale (Mr. Stirling) on May 21 concerning a speech reported to have been delivered in Montreal by Mr. Rene Chaloult.

The legal advisers of the Department of Justice have informed me that in their opinion the speech made in Montreal by Mr. Rene Chaloult on the evening of May 19, as reported in the newspapers, clearly disclosed a seditious intention, and constitutes an offence against the defence of Canada regulations; and I agree with that conclusion. They have also called my attention to the fact that Mr. Chaloult, speaking in the legislative assembly of the province of Quebec on May 22 on a question of privilege, stated that the newspaper reports of this speech were not strictly accurate, and conveyed an impression which was not warranted by the language he had used.

In view of this dispute as to the facts, it has been decided to institute proceedings against Mr. Chaloult under the defence of Canada regulations, in the district in which the offence is alleged to have been committed.

So that there may be no misunderstanding about the policy of the department under the defence of Canada regulations, I wish to add that this decision does not mean that there has been any departure from the policy of ordering detention as provided for by the defence of Canada regulations when that is found to be necessary. Seditious conduct or utterances cannot be tolerated. During peace-time the procedure for repression is prosecution before the courts under the criminal code; during war-time there may be prosecution before the courts or detention.

Everyone is agreed that in such a case as this, prosecution before the courts is the preferable method, when it can be looked upon as sufficiently effective. But the repression must be effective, and when it appears that prosecution before the courts does not produce the desired result, or does not produce it with sufficient dispatch, the interests of the state require that detention be resorted to; and in these last mentioned circumstances detention will continue to be resorted to.

CANADA EVIDENCE ACT

AMENDMENT TO MAKE PHOTOGRAPHS OF BOOK ENTRIES ADMISSIBLE IN EVIDENCE

Hon. L. S. ST. LAURENT (Minister of Justice) moved the third reading of Bill No. 66, to amend the Canada Evidence Act.

[Mr. Speaker.]

Motion agreed to and bill read the third time and passed.

ALBERTA NATURAL RESOURCES

AMENDMENT OF TRANSFER AGREEMENT RESPECTING ROYALTIES ON OIL PRODUCTION

The house resumed from Tuesday, May 26, consideration in committee of Bill No. 18, to amend the Alberta Natural Resources Acts —Mr. Crerar—Mr. Vien in the chair.

On section 1—Short title.

Mr. MacNICOL: I want to refer briefly to an answer that the minister gave yesterday to a question asked by the hon. member for Saskatoon City (Mr. Bence). As reported at page 2802 of *Hansard*, the minister said:

It is only within the last twelve or fifteen years that crude oil has been developed in Alberta.

Further on:

There was one other point raised by the hon. member for Saskatoon City. There was a question whether any dominion leases were outstanding on the tar sands in northern Alberta. I speak subject to correction, but my definite impression is that no dominion leases are outstanding on those tar sands. Any leases that have been issued were issued subsequent to the transfer of the resources to Alberta.

I believe the provinces of Alberta and Saskatchewan were created in 1905. Between 1905 and 1930 the natural resources were administered by the dominion government, that is until some twelve years ago. I wonder whether the minister's statement was correct. I have in my hand what I presume are minutes of the company that operated the Murphy claim on the Athabaska river, sent to me some few months ago when I first began to get ready to make a speech on the Alberta tar sands. The book is entitled, "Particulars of Tar Sand Lease No. 15 known as the 'Murphy Claim', Alberta, Canada." This company must have been operating long before 1930, and to have operated it must have had a lease from the dominion government. On page 47 of this book I notice a picture illustrating the laying of a roadway in the city of Edmonton in 1915. The picture is entitled, "Beginning to lay asphaltic concrete from 'Murphy claim' on Kinnaird street, Edmonton, Alberta". That claim I believe is some thirty to forty miles down the Athabaska river from Fort McMurray.

Farther down the river there is another claim that has been operated for years, the Fitzsimmons claim. I am sure the hon. member for Edmonton West (Mr. MacKinnon) will be thoroughly familiar with that. From what I saw there I imagine that this later claim has been operating for more than ten or twelve years. They have shipped a large

quantity of material from that claim. When I was there last summer they were shipping several hundred barrels.

To come back to the claim of which I have full particulars before me, the Murphy claim, that goes to show that there must have been leases prior to 1915, for the company had been in production and had shipped material to Edmonton and, I believe, other cities in the western provinces.

I read on page 51 of these minutes the following:

Certified copy of regulations for the disposal of the tar sands, the property of the crown, in that portion of the province of Alberta lying north of township 80, and between the fourth and fifth initial meridians.

Approved by order in council, dated the 14th of February, 1910.

Therefore from 1910 on the dominion government must have issued leases for the development of the tar sands, either to obtain oil or bitumen or asphalt, all of which come from the tar sands.

A note follows, which reads:

These regulations will come into effect on Saturday, the 19th day of March, 1910. . . .

Then on page 52 I read:

The tar sand deposits which are the property of the crown in that portion of the province of Alberta lying north of township 80, and between the fourth and fifth initial meridians, may be leased to applicants for a term of twenty-one years at an annual rental of 50 cents an acre, payable yearly in advance. The term of the lease shall be twenty-one years, renewable for a further twenty-one years.

I presume that would be under the conditions enumerated herein. This would mean that anyone obtaining a lease at that time could have had that lease for forty-two years, and I am just wondering if any of these leases are still in effect. If they are, perhaps that would have some bearing on the bill now before the committee, or perhaps not; I do not know, but I thought I should inform the committee that the leases were renewable, since I believe this lease is the same as all others which were issued at that time. Then I quote from page 55:

In case the tract applied for is located on the margin of a river or lake—

This particular lease covered an area on the Athabaska river.

—it shall not include more than one mile in direct distance along such water frontage, and shall be marked on the ground by two legal posts firmly fixed in the ground, one at each end of such front boundary.

This particular lease extended back from the river for a distance of three miles, and included within its boundaries some 1,920 acres, which I believe is the maximum that could be granted. That is a fairly large grant, in any event, since we have been told by engineers that an acre of 100 per cent tar sand should contain approximately 70,000 barrels, which would give a large volume of oil, bitumen or asphalt. So that was a fairly substantial lease. Whether or not it is still in existence I do not know, but on page 58 I notice this clause, providing that leases may be transferred:

The leases shall not assign, transfer, or sublet the rights described in his lease, or any part thereof, without the consent in writing of the minister being first had and obtained.

So a lease could be transferred from one person to another, and I understand that was done with this particular lease. I believe it is now in the possession of an operator who is about to develop it, because when I went north on the river last summer a gentleman, a geologist and engineer, got off the boat. I understood he was getting off in the vicinity of the Murphy claim, from which I took it that his principals must have secured the renewal of some previous lease covering the point at which this gentleman left the boat.

I do not know what regulations were introduced by the provinces after they secured the return of their natural resources in 1930, but on page 59 of this volume I find this paragraph with regard to royalties:

No royalty shall be charged upon the products of any tar sand location granted under these regulations, or on the sales of the products of such location up to the 1st day of January, 1930—

That would be prior to the provinces taking possession of their natural resources. I do not know the exact date when the act to return the natural resources was passed, but it was some time in 1930, so they must have come into possession of the resources some time after January 1.

—but provision shall be made in the lease issued for such location that after the above date, the products of the location shall be subject to whatever regulations in respect of the payment of royalty may then or thereafter be made.

Whether the regulations put into effect by the dominion government were retained by the provinces after 1930, I do not know; but it may be that those holding these leases on January 1, 1930, were able to have them renewed on the same terms that existed before January 1, 1930. Then in the latter part of his reply to the hon. member for Saskatoon City last evening, the minister said:

Any leases that have been issued were issued subsequent to the transfer of the resources to Alberta.

If what I have just read is correct, would the minister's statement also be correct? I

know he qualified what he said by saying that it was according to his best information, or something like that; but what I have read indicates that leases were granted while the dominion government retained possession of the natural resources, that those leases could be transferred, and that they could be extended for a total period of forty-two years, which would bring them up to 1952. Whether or not the bill now before the committee should be amended to protect leases made prior to the return of the natural resources is something I cannot say. But, Mr. Chairman, having this information in my possession, I thought I should place it upon *Hansard*.

Mr. CRERAR: When the hon. member for Saskatoon City asked the question last evening, I think I qualified my reply by saying that I was speaking subject to correction. I have not been able in the interval to get full details as to the point now raised by the hon. member for Davenport, but I think there was either a crown grant or a lease given a great many years ago covering an area of tar sand on the Athabaska river corresponding to what the hon. member for Davenport has said. As far as I am aware that was the only lease outstanding. It was not given, however, for the purpose of developing oil. Again I am speaking subject to correction, because I have not had an opportunity to get all the facts in connection with the matter, but at that time it was thought that these tar sands provided a natural road surfacing material; that is, if you could take the tar sands, with the amount of bitumen they contained, and transport them and surface a road with them, you would have a good surfacing material. It is quite true, as the hon. member for Davenport has stated, that a certain quantity, not a very large quantity, was placed on one of the streets of Edmonton, more as a test in order to see how it would endure.

Mr. MacNICOL: It is there yet; I saw it last summer.

Mr. CRERAR: Then I believe a year or two later, though I am not certain as to the time, a certain amount of this material was taken to Jasper park, and the road between the railway station and the Canadian National lodge is almost entirely surfaced with this material. That was done in order to test its durability, and it appears there is no question now as to the quality of this material for hard surfacing roads. At that time, however, the purpose was to use the material for hard surfacing, and not for the extraction of oil.

[Mr. MacNicol.]

I believe it was recognized from the first that these tar sands had potential oil value. The problem was to find a formula for treating the sands so as to extract the oil. I recall that the university of Alberta carried on laboratory experiments for some time in an effort to determine a method of extracting the oil from the sand. If my information is correct, it had in its early stages rather doubtful success; but as time went on the resources of science applied itself to the problem, with the result that within comparatively recent years a process, although perhaps not a perfect one, has been discovered for extracting the oil from the sands. As a matter of fact, a company was operating for this purpose on a modest scale near Waterways, and had some degree of success in extracting oil from these sands.

It is obvious to members of the committee familiar with the geography of the district that the handicap in developing this as a commerical proposition arises from the fact that it is so remote from the centres of population.

Mr. HANSON (York-Sunbury): How far from Edmonton?

Mr. MacNICOL: It is 305 miles by rail and 250 miles as the crow flies.

Mr. CRERAR: Yes, about 300 miles by rail transport.

Mr. HANSON (York-Sunbury): That is not far for a pipeline?

Mr. CRERAR: No, it is not far. I know, as a matter of fact, that responsible business interests have been considering the possibility of laying a pipeline from Fort McMurray to the more settled parts of western Canada. Whether or not at some time in the future that may develop remains to be seen. Undoubtedly, however, there are vast quantities of oil in these sands. No doubt science can find a satisfactory method of extracting that oil, and I believe there is every likelihood that at some time in the future, and perhaps not too far, it will become an active commerical proposition.

I wish to return to the point that the early efforts toward developing these sands commercially were made with the idea of utilizing them for road surfacing materials, and not for the purpose of extracting oil. The possibilities of oil extraction were always present and, later on, as I said a moment ago, became a reality as a result of many years of careful experimenting.

Mr. MacNICOL: Did the leases not cover oil, bitumen and asphalt?

Mr. CRERAR: I should think it likely that they would. I cannot say at the moment,

because I have not before me particulars with respect to the leases issued over thirty years ago. I should think it likely, however, that the leases would cover anything that might be taken from the leased area.

Mr. MacNICOL: May I add one further word to what the minister has said? I made a very careful survey covering several days, and my observation was that the difficulty was not that of taking the oil out of the sand. That, in fact, was a very simple matter. The difficuty to overcome—and it has been overcome—was one of getting the sand out of the mine. The sands were shaved off, and the sand itself, a sample of which I have in my hand, acted like a sand blast. In the business in which I was engaged we used sand blasts, and I know that sand blasts will cut right through steel. Therefore, as the shavers or scrapers went round and round on a wheel belt the sand would wear them out. That was the biggest part of the difficulty.

May I add in passing, that the department is greatly blessed in having a man like Doctor S. C. Ells in its employ. I believe it was Doctor Ells who discovered the system of taking the oil out of the sand. It is a simple process which involves the use of hot water, and when this process is used the oil can be taken out in two minutes. I have often said to myself that the Minister of Mines and Resources has a wonderful opportunity to develop the resources of this country when he has in his department a capable oil expert like Doctor Ells. I know if I were minister I would be inclined to send Doctor Ells up to the Athabaska district, with instructions to produce oil. I am sure he would produce it in quantities sufficient to warrant the building of a pipeline to Edmonton.

Mr. HANSON (York-Sunbury): The minister has never brought down the correspondence for which I asked in March, and which I understood was to have been brought down. I would assume that there has been a considerable amount of correspondence between him or his department, the government of Alberta and the leaseholders. I should not be surprised if in that correspondence between the minister and the leaseholders, or those representing the leaseholders, the question of breach of trust was not raised. Under those circumstances I suggest we ought to have the correspondence. Furthermore it would not be surprising if in that correspondence the minister himself was gravely concerned about the question of breach of trust, and raised that question in correspondence with the government of Alberta. Following along that line of thought, I would not be surprised if that was one of the main reasons why the minister did not proceed with this legislation last year. I would ask him to state quite frankly what happened on that point.

This morning I read over somewhat hastily the observations made last night by the minister, but I could not find any place where he dealt adequately with the question I have raised. Undoubtedly in law, by reason of the circumstances which have arisen, in a degree the dominion has been occupying a fiduciary position. That fiduciary position will be lifted if this bill is passed and confirmation is given to the agreement between the dominion and the province. That agreement, as a schedule to the bill, is part and parcel of the legislation. When the bill is passed, the last refuge of those who have complained against the legislation will be gone; all their protection will have vanished, and they will be at the mercy of the provincial administration. At that time, of course, the provincial administration will be free to do whatever it likes.

I suggest that the minister ought to tell us whether this theory—possibly it is more than a theory—this cogent argument against what he is now doing was not raised directly by the parties and interests who, I shall not say will be the victims, but will be placed under the jurisdiction of the provincial authorities with respect to leases for petroleum rights originally issued by the dominion over this area. I would ask if that question did not seriously affect the minister's judgment. Is that not one reason why he refused to proceed last year, and one reason which actuated him, if I understand his statement correctly, when he sought to get the consent of these parties. In that connection I think the minister ought to tell us how many leases were issued by his department prior to the transfer and were outstanding in 1941. I mean those that were in good working order, those in connection with which the leaseholders had paid the annual fee or whatever was required by the department even though they might not be operating. I understood there were some 810 leases. That is the number outstanding at the time of the transfer of the resources, but I should like to know how many are still outstanding and might be said to be in good standing legally. Then I should like to compare that number with the number of lease owners who are alleged—I am going to use that word—or who it is said have agreed to this legislation. I think it will be found that a large number have never agreed. If they have not agreed they may be prejudicially affected by this legislation. The position occupied by the federal authority still stands with respect to them.

This matter has attracted a good deal of attention in the west, and I have had some representations made to me, I suppose largely because of the newspaper reports of the discussion that took place yesterday. This morning I was in receipt of a telegram from a gentleman whom I do not know but who signs himself Robert Wilkinson, and who, I understand, is president of the National Petroleum Corporation Limited of Calgary. As far as I know, this man has not been consulted, and according to his observations he certainly has not given his consent. His telegram reads:

> Regarding debate Alberta oil royalty situation operators here strongly support your opposition to passage of this measure particularly now when every encouragement should be given producers and those providing finances for new development. Ten large rotary drilling rigs now idle, all owned by independent operators. Please refer letter editorial page Toronto *Star* dated 15th July, 1941.

Then he makes reference to *Hansard* but I could not find the page to which he refers. And the telegram concludes:

> Suggest that passage of bill in present form will be near approach to sabotage and must be effectively prevented.

That is how this man characterizes this legislation.

If I interpreted the remarks of the minister correctly, they were to the effect that this legislation would bring about stability and from that there would follow action with regard to the production of oil. This man's statement is entirely contrary to that. He wrote a letter to the Toronto *Star* on July 15, 1941, and I have a copy of that before me. It was entitled, "Canada's Western Oil", and in it he indicates the reasons why there is no development of these oil fields. He states that the reason for this is the fact that the basic price has been put down so low having regard to the cost of operating that the independent operators cannot go on. He refers to the increased cost of drilling and so forth. He stated that there was $2,000,000 worth of equipment now idle. This position is not due to the position of the leases. This stagnation is due to the low prices which have been set by the oil controller or by some authority as the basic price for crude in the Turner valley field.

His letter was written just about the time the agitation was taking place in the province of Alberta and they were undertaking to do this by other methods, by going to the courts. I submit that that is where the matter should have been decided. It is a dangerous thing to interfere by legislation with a position affecting third parties, to walk in by legislation of this superior legislature and wipe out the defences that people may have in a court action. I think the minister is taking a pretty serious responsibility upon himself. On principle, this is bad legislation. I am reminded of a position that existed years ago in my own province. While a case was still before the courts an amendment was passed to the conditional sales of chattels act which completely wiped out the defence in an action then pending before the courts. The attorney general of the province was acting for one of the parties while, as attorney general, he was putting through legislation which affected his own position. If the minister wants to see what the courts thought about that state of affairs, I shall send him the citation. The case is the Port Elgin Woollen Mills v. Goldie and McCullough, reported in the New Brunswick reports.

This is a vicious type of legislation because it may affect directly the position of third parties. I do not think the minister can say that these leaseholders have freely and voluntarily consented to this legislation. They have done so under a species of duress. I do not mean that there has been a direct application of duress, but I am told by some of those who have given their consent to the position being attained that is now sought to be attained, that they gave it in the belief that if they did not consent, something worse would happen. A man from Edmonton told me that he could not come out in the open for fear of what would happen to him. That is a dreadful situation, and that may be just what Mr. Wilkinson means when he uses the term "sabotage" in his telegram.

I do not think the minister has followed this thing through to see what the effect of this legislation will be. I contend that he ought to withdraw this bill and review the whole position with reference to stability and increasing the facilities for the flow of oil in the fields of Alberta. The true position has been that it was so unprofitable to drill that the very thing that ought to have been done has not been done. I am going to read the letter which this man wrote and ask the minister what he thinks about it. It is addressed to the Toronto *Star*, dated July 15, 1941, which is less than a year ago, and reads:

> It is high time that the Canadian public be made acquainted with the developments in domestic production and supply of crude oil. It is even more important that it becomes especially informed about the situation in the Turner valley oil field, in the province of Alberta. Until recently, governmental interference has been negligible, particularly prior to the date of transfer of natural resources from the federal to the provincial authorities in 1930. In consequence,—

In consequence of the negligible interference by the government.

—a healthy industry has been built up—largely by independent operators—until an aggregate of 10,000,000 barrels annually were being produced.

The posted field price for crude oil is set by Imperial Oil Limited, and at present, with the concurrence of oil controller Cottrelle.

That is his statement, not mine. He goes on to say:

At the time of discovery in 1936 of crude oil in quantity, that field price was $1.55 per barrel. It has since then, in successive graduations, been reduced to $1.22 per barrel, which is the prevailing price as at July 9, 1941. Meanwhile, drilling charges—including purchase of equipment, wages, and extra depths, et cetera—have added nearly 30 per cent to the costs of wells, which now approximates $200,000 for a single well in Turner valley.

One reason why progress has not been made is the advanced cost of equipment and drilling and operating, on the one hand, and the reduced price of crude, on the other. I do not know who is responsible. This man says that Imperial Oil, being the largest producer, fix the price, and that may be true; but, he says, it has the concurrence of the oil controller. The letter proceeds:

Operators are now discovering they cannot continue development when handicapped by: firstly, a ridiculously inadequate price structure maintained by official government mandate under order of oil controller Cottrelle, and secondly, by the entirely unwarranted interference with the royalty structure affecting crown leases, coupled with the inopportune changes in oil and gas regulations with respect to the acquisition and development of same. The results of this discriminatory legislation are now becoming apparent. Where there are less than twenty, and none commencing,—

Mark these words:

Where there are less than twenty, and none commencing, there should be thirty new wells now drilling, and there are upwards of $2,000,000 worth of new drilling equipment standing idle at this date.

Canada is facing an oil famine, both east and west.

The man was a prophet.

Instead of placing every conceivable obstacle in the way of producers, governments should at least recognize the fact that oil is just as important in the life struggle in which we are now engaged, as are lumber, iron and chemicals, in some of which industries millions of government funds are being invested. Five or ten million dollars provided by our government for oil development could be the greatest victory insurance of all and should be considered at once.

The situation can be temporarily improved, but most certainly more aid is needed by the immediate restoration of the posted field price for crude oil produced in Turner valley to a minimum of $1.62 per barrel, basis 40° gravity—

I suppose that means specific gravity.

Forty cents per barrel added to the present schedule of prices would provide sufficient funds to drill ten new wells, all of which are going to be sorely needed to maintain the present allowable of 26,000 barrels daily. The withdrawal by the Alberta government of its recently introduced legislation dealing with royalties and oil leases would also assist in restoring public confidence.

This letter constitutes in one respect an indictment against the situation which has been existing in that field. It also, I think, carries with it a certain amount of conviction as to what the real situation is.

I ask the minister to review the whole position. He should do so in the interests of equity and justice, and not pursue a policy of appeasement towards the province of Alberta who want to violate what these oil leaseholders have considered were their just rights. If they are wrong, let the courts determine it. Let it not be said that the parliament of Canada legislated these men out of business or legislated away from them a right which they claim they hold. I do not know whether they do or not; I have not given the question sufficient intensive study. But I will never be a party to this class of legislation, if I understand the circumstances; and I am warning the minister now what the circumstances are. This parliament should not be a party to passing legislation which will have the effect of doing injustice to anybody. I do not believe the minister himself would agree to that. I know him too well for that. I am appealing to him to let the legal aspect of this question be referred to the courts, even though there be delay, and use his influence with the oil controller to get the basic price in Turner valley raised to cover the cost of production and to permit of some funds being used for exploration and drilling. Get this production up where it ought to be. As I understand it, production in Turner valley to-day is limited to a quota. I want the minister to correct me if I am wrong, but I read not long ago that there is a prorated quota. Well, if oil is required, for heaven's sake let us lift that kind of government regimentation; let us have production. You can never go very far wrong if you encourage production, but the minute you begin to restrict production of any natural commodity you run into trouble. You are just driven from one expedient to another to take care of the condition which develops when you interfere with ordinary laws of supply and demand in domestic production.

I suggest to the minister that he was right a year ago, if my premises are correct. If I had the file I believe I could soon find the

correspondence. The minister has never yet brought down the file, and he has not given any reason why he did not do so.

Mr. BENCE: He promised to bring it down.

Mr. HANSON (York-Sunbury): Yes, and he did not do it. I am surprised at that. I am not going to attribute any wrong motives. I suppose he forgot about it. Any human being is likely to do that. I do not attribute any blame to the minister on that account. But if he will allow this bill to stand over and review the file I think he will find exactly what I have stated to be the case. I have a telegram to-day from a man who is very much interested in this matter; he it was who gave me the information. In the departmental file it will be disclosed that a year ago the minister was tremendously influenced by this doctrine of breach of trust, with which I have tried to deal,—very inadequately, I fear, because I have not had time to study the question fully.

Mr. CRERAR: I can say at once to my hon. friend that this is wholly incorrect.

Mr. HANSON (York-Sunbury): That may be true, but it is the information I have, and how can I contradict the minister even were I disposed to do so? Why not bring down the file and let us have a look at it?

Mr. CRERAR: I will deal with it.

Mr. HANSON (York-Sunbury): That is a fair enough proposition,—let the bill stand over. And then I am going to ask the minister to commune with his own conscience. I submit to him in all seriousness that there is an ethical principle involved in putting through legislation of this kind which may affect the contractual rights of third parties. We ought not be parties to it.

I am not going to repeat myself. I think I have made abundantly clear, this afternoon at all events, if I did not do so yesterday, what my position is with regard to this legislation, and what I suggest the minister should do. He should review the whole position. He should not deliver these men, these people who think they have rights, unprotected into the hands of those who may not practise the golden rule.

Mr. CRERAR: Mr. Chairman, I must confess that I am amazed—

Mr. HANSON (York-Sunbury): You are always amazed.

Mr. CRERAR: —at the leader of the opposition. So far as the correspondence is concerned there is no objection to bringing it down. I can tell my hon. friend and the committee the circumstances with regard to the whole matter as I recall them, and I think my memory is accurate. As I recall now, it was in March a year ago that Mr. Tanner, the Minister of Mines and Lands in the province of Alberta, was in Ottawa, and he came to see me about the possibility of getting an amendment—the present proposed amendment—of the natural resources transfer agreement put through. As I recollect, he desired to do that in order to get a measure of stability in the Alberta situation.

That was considered. It looked to me to be a not unreasonable request, for this reason: there was no other province in Canada which had its resources that did not have that right and that power. Moreover—

Mr. BENCE: Except Saskatchewan. What about Saskatchewan?

Mr. CRERAR: Well, excepting the prairie provinces.

Mr. BENCE: Because their natural resources were not transferred to them until 1930.

Mr. CRERAR: My hon. friend knew I was referring to the prairie provinces, if I mentioned the province of Alberta; it applied to the prairie provinces. It does not apply in Manitoba or in Saskatchewan so far as oil is concerned; at any rate it has not arisen yet. But Manitoba took a different kind of action, and rather drastic action, with timber leases that were outstanding, and it rectified the situation to its own satisfaction without coming back here to get any amendment to the agreement.

Mr. HANSON (York-Sunbury): I suppose the timber licences were in default.

Mr. CRERAR: Well, probably some of them were in default.

Mr. HANSON (York-Sunbury): Of course they were.

Mr. CRERAR: And they attached conditions which they had a right to attach.

Mr. HANSON (York-Sunbury): There was a legal right there.

Mr. CRERAR: But we are dealing now with the situation in Alberta. I want to continue with what I was saying about the correspondence. The matter was discussed and examined after Mr. Tanner was here, and it was my intention to recommend to council that a bill be introduced giving effect to what is proposed in the present measure. That became known and of course strong recommendations—I am willing to use that word—were made against it by those representing the

licence holders in Alberta. These representations were made, not by correspondence but in person by the people who came here to represent them. The session was getting late and I wrote to Mr. Tanner and told him that I felt we could not proceed with the legislation that session and pointed out that strong objection had been taken to this procedure by many of the licence holders.

Mr. HANSON (York-Sunbury): What were the grounds of the objection?

Mr. CRERAR: The ground was that they feared the province of Alberta, I presume, might raise the royalities.

Mr. HANSON (York-Sunbury): Did they not take the ground that it would be a breach of a condition, that it ought not to be done on ethical grounds?

Mr. CRERAR: I do not recall that that condition was mentioned. At any rate I wrote to Mr. Tanner and said that it would be impossible to proceed with the legislation and I suggested in my letter to him that he should endeavour, or that the Alberta government should endeavour to reach an understanding with the oil interests. It was not a matter upon which we wished to legislate here if there was any considerable measure of opposition. That was the situation a year ago. What happened? The Alberta government later on assessed these dominion licences at the provincal rate of royalty. Exception was going to be taken to that and they made a reference to the higher court in Alberta to see whether or not they had power. That hinged upon the point I mentioned last night as to whether or not the federal government, in section 2 of the transfer agreement, passed over to the Alberta government all powers it enjoyed in respect of these licences. There is no question whatever that had these resources remained with the federal government under dominion administration the dominion had the right to vary the terms of royalty. That is not disputed.

Mr. HANSON (York-Sunbury): I think it is disputed, but I should not like to pass judgment on it.

Mr. CRERAR: I read last night the clause from the form of licence, and for the benefit of those who did not hear it perhaps it might be well for me to read it again. This was the condition of the licences granted. The clause, as I said last night, recites the period for which the licence is issued, the fact that it is renewable, and then says:

—and also rendering and paying therefor unto His Majesty a royalty at such rate as may from time to time be prescribed by order of the governor general of Canada in council on the products taken out of the said lands.

Mr. HANSON (York-Sunbury): That was in 1919?

Mr. CRERAR: That was a condition in the licence under which all these operators are operating to-day.

Mr. BENCE: And after that it was set at a definite amount for a definite length of time by order in council of October 29, 1920.

Mr. CRERAR: When the licences were first issued, no rate of royalty was fixed, but they had power to vary it from time to time.

Mr. HANSON (York-Sunbury): And they did in 1920. They made it a definite length of time.

Mr. CRERAR: No.

Mr. HANSON (York-Sunbury): Yes.

Mr. CRERAR: They had power to vary it. At any rate, I am not going to get into an argument with my hon. friends of the legal profession because I quite realize, I hope, that I have the short end of the stick in a debate of this kind.

Mr. HANSON (York-Sunbury): This is a question of fact.

Mr. BENCE: What then was the purpose of section 2 of the agreement of December 14, 1929, if it was not to preserve these rights?

Mr. CRERAR: The contention of some authorities, I believe, is that the purpose of that section was that the government of Alberta would observe the conditions of these licences, and one of the conditions of the licences was that the federal government had power to vary the royalties from time to time.

Mr. HANSON (York-Sunbury): As I understood it, the legal question with respect to section 2 was, did the government, having regard to the language of the section, have the right to raise royalties, or were they bound by the condition as it then existed. That was the legal question and that is the question that should have been left to the courts.

Mr. CRERAR: In ordinary cases there is a good deal to commend the position just taken by the leader of the opposition. However, let me pass on. There is no question that under these licences—it has never been disputed at any rate—they were under the necessity of paying 10 per cent royalty. There is no question about that.

Mr. HANSON (York-Sunbury): After a certain period.

Mr. CRERAR: No, from 1930 on. There is no question that to-day the royalty that can be collected in Alberta on these oil licences is 10 per cent.

Mr. HANSON (York-Sunbury): To-day, yes. I think that is right.

Mr. CRERAR: Now what is proposed here? My hon. friend made a great deal of play on the fact that it was this condition of affairs that was leading to the cessation of drilling.

Mr. HANSON (York-Sunbury): No, that was only one factor. The main factor was the low price of crude.

Mr. CRERAR: So far as the low price of oil is concerned, we have nothing to do with it.

Mr. HANSON (York-Sunbury): The oil controller has.

Mr. CRERAR: Perhaps he has during the currency of the time of his office, but within a few months of the cessation of war his powers disappear. Under the proposed arrangement the licence holders can agree to take 12½ per cent royalty for a period of ten years. The maximum they can be charged will be 15 per cent. There will be a minimum of 5 per cent.

Mr. HANSON (York-Sunbury): Unless the Alberta government should change its mind.

Mr. CRERAR: There will be a minimum of 5 per cent, and they can vary it in between those two points. I do not think that is the factor that has led to the cessation of drilling—

Mr. HANSON (York-Sunbury): I never said it was.

Mr. CRERAR:—and to the condition which we are trying to remedy under this amendment to the agreement. The reason why drilling has ceased is the reason which I stated last night—uncertainty, instability, lack of security, doubt as to what may happen in the future.

Mr. HANSON (York-Sunbury): This man says that the reason is the low price fixed and maintained by law. He probably knows what he is talking about.

Mr. CRERAR: If that is so, my hon. friend cannot urge it as a reason why this legislation should not pass.

Mr. HANSON (York-Sunbury): They are two separate things.

Mr. CRERAR: That has nothing to do with it.

Mr. HANSON (York-Sunbury): My hon. friend urged that as a reason why there is instability—because of this situation.

Mr. CRERAR: Suppose we were to throw this bill out of parliament—

Mr. HANSON (York-Sunbury): Throw it out.

Mr. CRERAR: Would that change the price paid for oil?

Mr. HANSON (York-Sunbury): No. You could begin *de novo* and get a fair price.

Mr. CRERAR: My hon. friend is moving rapidly from one position to another. It would not affect it at all. The main purpose of this is to get stability. I do not know whether these people who hold these oil licences, when they sent a representative here to discuss the matter, knew what they were talking about, but I presume they did. When they tell me that an agreement of this kind, giving stability for ten years not only on dominion licences but on the provincial licences that have been issued since, would lead to development and help to relieve the oil shortage, I say with due deference that I must pay more respect to their opinions than to those expressed this afternoon by the leader of the opposition.

Mr. HANSON (York-Sunbury): What about those who have not agreed, who, I believe, are a majority?

Mr. CRERAR: I cannot at the moment say how many, but I know a considerable majority of the leases that were outstanding when the resources were transferred cover areas in which no drilling has been done and in which oil will perhaps never be found. I stand by the statement I made yesterday, that of the active interests that have possibilities of producing oil, a considerable majority support this legislation. I do not know who Mr. Wilkinson is; I never heard of him or his company, but I believe I am within the mark when I say there are scores of oil companies—

Mr. HANSON (York-Sunbury): He is probably a driller.

Mr. EDWARDS: If I may intervene, Mr. Wilkinson is a very well known and successful operator in the drilling of oil wells.

Mr. CRERAR: I am glad to have a halo hung around Mr. Wilkinson's head. I do not wish to do the gentleman any injustice.

Mr. EDWARDS: He is no friend of mine

Mr. CRERAR: There was another point mentioned by the leader of the opposition, a complaint he made about the pro rata production provisions under which the wells in the Turner valley are operated. That, again, is a matter of provincial legislation.

Mr. HANSON (York-Sunbury): That may have been all right at one time.

Mr. CRERAR: It was made possible by an amendment passed in 1938. It was believed that in some wells, unless there was a control of production, that is of the amount of oil allowed to be taken from the well, say in each twenty-four hours, the well would be exhausted more rapidly and in the end less oil would be taken from it. Those regulations have, I understand, been in effect in most oil producing fields in the world. I do not, however, think it really has anything to do with this discussion.

I come back to the point I made last night, that in the judgment of those who, I believe, are competent to judge, this measure will provide stability for a period of at least ten years. Every person holding a provincial or dominion licence in Alberta will know what is ahead of him for the next ten years. Under those conditions I submit that there will be increased interest, more encouragement to capital to go in and develop and operate all these drilling rigs which the leader of the opposition said were now idle—

Mr. HANSON (York-Sunbury): I did not say that. This man said they were idle.

Mr. CRERAR: Well, the authority my hon. friend quoted said they were. They will have a chance to get to work. What is the alternative?

Mr. BENCE: Leave it to the Alberta government. They can provide stability if they want to.

Mr. CRERAR: If this measure is defeated, the alternative is that the corresponding measure in Alberta ceases to have any effect. The agreement remains just as it was.

Mr. HANSON (York-Sunbury): Ten per cent royalty.

Mr. CRERAR: It will probably start again the long procession through the courts to determine whether or not the government of Alberta have the power to assess a higher royalty.

Mr. BENCE: Only if they insist on proceeding.

Mr. CRERAR: Please let me continue. It will probably start a long procession through the courts again to determine what the powers of the Alberta government are under the transfer agreement, and during all that period the people who would be interested in drilling wells under conditions of stability stand back.

Mr. HANSON (York-Sunbury): That is a perfect *non sequitur*.

Mr. CRERAR: That is a perfectly pertinent fact in regard to this question. The result will be to lessen the production of oil in Alberta, increase the oil difficulties of this dominion, and do no one any good.

Mr. HANSON (York-Sunbury): The minister might now give some attention to the question of breach of trust that I raised. He has evaded that in every case.

Mr. CRERAR: I will deal with that now. I dispute that there is a breach of trust. Suppose this legislation does not pass—

Mr. HANSON (York-Sunbury): Then there is no breach of trust.

Mr. CRERAR: —then the Alberta government take action through the courts to establish that they have the right.

Mr. HANSON (York-Sunbury): All right; then that will be the position; that will be the law.

Mr. CRERAR: Would there be any breach of trust then by the federal government?

Mr. HANSON (York-Sunbury): No; they will be relieved of responsibility. But until that point is determined, they will say there is a breach of trust and they will have the right to say it.

Mr. CRERAR: I think my hon. friend is straining at a gnat and swallowing a camel there.

Mr. HANSON (York-Sunbury): Not at all; there is a principle involved.

Mr. CRERAR: As I said last night, I have no hesitation whatever in recommending this measure to parliament; I have no doubt that it will lead to stability of conditions in Alberta that will promote development and help to relieve our present difficulties.

Mr. CHURCH: I oppose any variation of this transfer agreement between the government of Canada as represented by the Minister of Mines and Resources and the government of Alberta as represented by the provincial minister of mines. I do so first from the legal point of view and, second, as a matter of public policy. It is strange the enthusiasm of the present minister for this proposed variation. It is strange the things that are done in the name of the war. You can hardly blow

your nose, as the hon. member for Témiscouata said one day, without its being said it is for the war. You can scarcely blow your nose now anyway because we have dollar-a-year men limiting the length of your handkerchief.

The principle of law in this variation transfer has been before the privy council in what was known as the Alberta great waterways case, which was on all fours with the proposed agreement. The law is quite clear. The crown in the name of the dominion or the crown in the name of the province cannot vary agreements or contracts or bonds or any such matters. They may do it in British Honduras; this variation agreement is almost on a parallel with the Alberta privy council case to which I referred, but the decision of the privy council in the great waterways case was the ground on which the bill of sale was based when the province of Ontario purchased the $32,000,000 property of the power companies in the Niagara district. All the papers in this new agreement matter should be tabled. Who is asking for this thing? There are 860 leases affected by this agreement. Did the holders of any of them object? If one objected, that one on behalf of himself and the other leaseholders could enter action against the attorneys general of the province and the dominion to set aside the proposed transfer in view of the decision of the privy council.

I oppose this measure on other grounds. We have a supreme court in Canada. Under the Supreme Court Act it is the duty and function of the government, where vested rights are involved as in this particular transfer agreement; it is not only the duty but one of the functions of the Attorney General of Canada, that is the present Minister of Justice who is measuring up as a great lawyer and a gentleman who, I believe, will be a great Minister of Justice, to refer the matter to the Supreme Court of Canada.

The functions and duties of the government in transfer agreement cases of this kind are set out in the decisions of the privy council to which I referred. Under the Supreme Court Act it is the function of the government of the day, where doubt has arisen, to refer the matter for the opinion of the Supreme Court of Canada. There is doubt in this case; both governments knew they had no power to vary these contracts legally and so make an agreement as a matter of policy. If they did not know that they would not have framed this bill in this language. They knew the courts would set it aside, on the ground that the government had no right to vary a contract in the manner indicated. A reference should have been made to the Supreme Court of Canada, and in less than three months a decision on the text of the reference would have been given. It was bad enough in peace time to squander the natural resources of this country, the products of the sea, the soil, the forest, the mine and so on. I hope the hon. gentleman will not leave—

Mr. CRERAR: I am coming back immediately.

Mr. CHURCH: If you would also leave the agreement alone it might be better for the resources of the country, or if you would leave the decision to the people. Where do the people who own this property come in? The dominion government is simply the trustee of the public domain of this country. Our natural resources have been squandered so much that future generations will wonder what kind of people were sitting in this parliament to allow that to go on. I remember 1927, when it was proposed to hand over the natural resources of the whole Ottawa valley to the Sifton interests. We were in opposition at that time; we started a debate and talked out the bill, so that it did not go through. If it had gone through, all the resources of this great Ottawa valley would have been handed over forever to private greed and gain.

This is the second war session we have done something in the way of giving away the natural resources of Alberta in the name of the war. Last session a bill was introduced by the Minister of Mines and Resources having to do with power development in Banff national park. Considerable discussion took place on that bill, and many questions of law and public policy were raised. At the time, in 1927, the Ottawa valley matter was under consideration I quoted some of the words of the late President Theodore Roosevelt and the late Sir Adam Beck on the need of a national policy for our resources. Perhaps I might recall what I quoted at that time. The late President Theodore Roosevelt said:

> The people of our country are threatened by a monopoly more powerful than has ever been seen, as it affects very closely their domestic and industrial life. Our next generation will witness a shortage of those natural resources, petroleum and gas. The price of coal will be such that hydraulic power turned into electrical energy will, owing to its cost, become the prevailing factor for transport, for manufacturers, for lighting and heating our towns. Our hydraulic power alone, entirely and judicially employed, would be adequate for the present needs of transport, industries, municipalities and private individuals.

And Sir Adam Beck, in opposing the bill that would have given away those great natural resources which belong to the people of the whole dominion, said:

> In my judgment, no government in Canada can stand against the opposition of the public

opinion that will be expressed by the people of the provinces of Ontario and of Quebec once it is fully appreciated what sacrifice of their interests is involved. . . .

He was then referring to the giving away of the Carillon water power development on the Ottawa river, and the right to export power to the United States. Ever since I have been a member of this house I have been asking for a national policy with regard to oil, gas, coal and power. We have 42 million horse-power available in Canada of which less than one-sixth, or 7 million horse-power, has been developed, and of that a part is only seasonal. Here you are, giving away the heritage of the people without their authority or consent. I have also asked for a national policy in connection with coal. There was a debate in this house on that subject on my resolution for a national coal supply, all British, on March 18, 1923, and that discussion went on for ten years before anything was done about a coal supply from Alberta or the maritimes or Wales. We also had many debates, from 1923 on, on a policy of conserving the oil, coal and petroleum resources of Alberta and other parts of Canada. The government have had almost twenty years in which to formulate a policy. Why did they have to wait for a war to come along before doing anything about it? I agree with what was said in this chamber last evening by the hon. member for Rosetown-Biggar (Mr. Coldwell) that notwithstanding the royalties, leases and all that sort of thing, the time now has come when instead of proposing amendments such as this the government should bring in a national policy with regard to coal, gas, oil and the power inherent in falling water. Here we are giving away these natural resources in the name of the war, and calling it conservation. What sort of conservation was it when we gave Japan large quantities of our resources of timber, pig iron, scrap iron, aluminum, nickel, platinum, copper and all the rest. Our natural resources were given to our enemies to make munitions for land, sea and air, who are making war against us on the seven seas.

I can tell you that one of these days, when this giving away of the heritage of the people is fully understood, there will be a rebellion in this country. Public opinion will be against such squandering of the public domain. This coming winter we are faced with a coal shortage, but what are we doing? We are sitting around here amending a transfer agreement that will bring about ten times as much litigation as we have had in the past, and Alberta since 1930 has had a lot of it. As I have said, any or all of the 860 people holding these leases can issue a writ against the attorney general of the province and the dominion and have this whole agreement set aside. The people of Alberta should have voted on this deal, because I venture to say that in the years to come it will be regarded as just as iniquitous as the Ottawa valley and other gifts of resources. What was refused in the Ottawa and Georgian bay canal principle of dealing with resources in the days of peace is now put forward as a conservation measure in days of war. I do not believe a single gallon of oil will result from this agreement, because there is no doubt it will be taken to the law courts and kept there for years.

We had this matter of conservation and public ownership under discussion from 1902 to 1930, in Ontario, which finally has been redeemed from this sort of power slavery of private greed. I think every other province should do the same thing; for if it had not been for the power development in Ontario our effort in the last war would have been greatly reduced. At one time during that war fifty per cent of the munitions produced in the war came from Ontario, thanks to the magnificent power reserves that were available here under public ownership at cost. I believe that if the dominion had had a national policy designed to preserve these natural resources of the sea, the soil, the forest and the mine; the coal resources, the oil and gas resources and the power resources, it would have been a blessing to the people of this country long before the war began, and it will come quickly, after the war. It belongs to the people.

Mr. CASTLEDEN: I understood the minister to say that at the present time there was a curtailment or stoppage in the production of oil. To what extent has there been curtailment, or by what percentage is last year's production to be reduced this year?

Mr. CRERAR: I did not make the observation to which my hon. friend alludes; I think it was made by the leader of the opposition.

Mr. CASTLEDEN: Then I should like to know if it is true.

Mr. CRERAR: I think it was made by the leader of the opposition. I understand, however, that certain conservation measures have been put into effect in the Turner valley field which for the time being reduced, with the existing number of wells, the amount of oil produced. But those measures were taken to lengthen the life of the field. I am not a technical expert in the matter of oil produc-

tion, but I understand that you can take oil from a well in a way which will lengthen its life, and in the end get more oil, or you can follow another method which for the moment will give you more oil, but which will shorten the period of operation of the well.

Mr. BLACKMORE: That is correct.

Mr. CASTLEDEN: Was there any deliberate curtailment in the production of oil?

Mr. CRERAR: There was no deliberate curtailment as far as I am aware. The only measures taken were measures for conservation.

Mr. BENCE: I would point out in reference to the remarks of the minister that section 2 of the agreement dated December 14, 1929, contained the following statement with respect to the matter of leases:

. . . and further agrees—

That is, the provincial government.

—not to affect or alter any term of any such contract to purchase, lease or other arrangements by legislation or otherwise.

That is much broader than the minister has indicated to the committee. It covers not only the originally leased contracts, but any arrangement by legislation or otherwise.

Actually what happened in this instance was that in 1920 an order in council was passed for the specific purpose of giving stability to oil production in Alberta. That stability was given by virtue of the fact that the men who owned the leases knew definitely the amount they would have to pay, and knew it would not be exceeded by the amount set out in the order in council.

I suggest to the committee that if there were any instability, such instability was created by the action of Alberta, and that Alberta itself could easily stabilize the thing without the necessity of this legislation, by agreeing that section 2 did not give them the authority to change the royalties. If the province would agree to that, there would be no necessity for any litigation in the courts, no necessity for uncertainty in the minds of the leaseholders, and no necessity for members of this committee, who, I suggest, have only a meagre amount of information before them on which to base their judgments, to pass upon something which I contend, with the leader of the opposition, is definitely a breach of trust. After all, if there is any dispute in the courts as to whether Alberta was entitled to increase its royalties, surely it is not the duty of this parliament to settle the matter for the courts, and to place Alberta in the preferred position they have endeavoured to obtain, by deliberately coming out and committing what I consider to be a breach of section 2 of the agreement.

I ask the minister to inform the committee as to whether or not that stability could be obtained just as easily if Alberta would take the action I have suggested. I would also ask him the question I propounded last night, namely, whether or not section 2 of the agreement dated December 14, 1929, was considered by the law officers of the Department of Justice, and whether the minister obtained an opinion from that department as to the reason for the incorporation of section 2 in the agreement at that time, and whether or not it was put in for the purpose of protecting the dominion government against possible action for damages. In the event of any uncertainty in the minds of the law officers of the Department of Justice as to the dominion's liability for damages, did the minister consider whether or not the dominion government should make itself liable for any damages which were actually incurred as a result of the passing of this legislation? I should like to have an answer. Was this matter referred to the Department of Justice and, if not, does the minister not think it should be referred before we pass upon it?

Mr. CRERAR: The bill we are considering received the approval of the Department of Justice.

Mr. HANSON (York-Sunbury): As to its form, but not on the legal point raised.

Mr. CRERAR: It was approved as to form. The question of policy involved would not naturally be one for the Department of Justice to consider.

Mr. STIRLING: Section 2 is a contentious section.

Mr. CRERAR: Section 2 was agreed to by both parties to the agreement ten or twelve years ago when it was passed. I have not consulted the Department of Justice as to whether or not in its opinion that section carried over to the Alberta government the power which the federal government undoubtedly had to vary leases.

Mr. HANSON (York-Sunbury): Did the minister not think it wise to consult the law officers of the crown as to the legal effect, not the policy, of this bill? Surely that is a pertinent question. If that has not been done, I suggest it ought to be.

Mr. CRERAR: What does the leader of the opposition mean by the legal effect?

Mr. HANSON (York-Sunbury): I mean the legal effect of paragraph 2. I need not

read the agreement, but I shall read the part in question:

> And whereas by paragraph 2 of the said natural resources transfer agreement the province agreed that it would carry out, in accordance with the terms thereof, every contract to purchase or lease any crown lands, mines or minerals and every other arrangement whereby any person had become entitled to any interest therein as against the crown—

That is to say, they were to carry out the position as it was.

> —and further agreed not to affect or alter any term of any such contract to purchase, lease or other arrangement by legislation or otherwise, except either with the consent of all the parties thereto, other than Canada, or in so far as any legislation may apply generally to all similar agreements relating to lands, mines or minerals in the province or to interests therein, irrespective of who might be the parties thereto.

There is a definite commitment on the part of the province. To seek to do this by legislation, when a vexed legal point has arisen with respect to the principle, is wrong. The principle is wrong to seek to undo something to which Alberta agreed. Otherwise the minister of lands and mines of Alberta would not have come and asked for this legislation. It relieves them of an obligation imposed upon them by paragraph 2 of the transfer agreement. The minister is not doing himself justice when he plays into the hands of a government which wants to do by an indirect method what it cannot do directly. That is what he is doing. If bad, it is bad in policy, bad in substance, bad morally, bad in law and bad in equity. For the moment I cannot think of any further language to describe it.

Mr. ROSS (Calgary East): I understand the oil controller has expressed the opinion that this legislation would be helpful in our war effort. If that is so, I cannot agree with the leader of the opposition when he says that the matter should be referred to the courts. That would mean that more than a year would elapse before the case could be disposed of. Anything which will help our war effort we should have as quickly as possible.

Mr. BENCE: How do we know it will, though?

Mr. ROSS (Calgary East): I understand the oil controller expressed that opinion.

Mr. HANSON (York-Sunbury): That is only hearsay.

Mr. ROSS (Calgary East): Has the minister considered the alternative proposition of placing a ceiling on the royalties reserved by the crown under these oil leases? We have a ceiling on wages and a ceiling on nearly everything else in this country. I think the minister should consider placing a ceiling of 10 per cent on the royalties payable. They have never collected more than that, and I cannot see why it would not create as much stability as this legislation, if not more.

Mr. HANSON (York-Sunbury): And it would settle the matter.

Mr. ROSS (Calgary East): It would settle the matter for the duration of the war. The oil controller has expressed the opinion that the passing of this legislation would help our war effort by stabilizing the industry. Has he had before him for consideration this alternative proposition of placing a ceiling on crown royalties? If so, what conclusion did he come to as to its merits? It seems to me that the placing of a ceiling would do more to stabilize the industry and help our war effort than would the raising of the royalties by 2½ per cent.

This is a tremendously important matter, far more serious in its implications than most of the legislation that comes before this house. Assuming that the lessees are right in their contention that Alberta has no right to increase the royalties, then we are consenting by this legislation to Alberta breaking contracts with hundreds of lessees. As I stated last evening, if it is going to help the war effort let us do it; but if the war effort can be helped more by adopting the alternative proposition of putting on a ceiling, I submit that that should be done. If the minister has not already had the opinion of the oil controller on this alternative proposition then I suggest he move that the committee rise, report progress and ask leave to sit again, and in the meantime he can get the information from the oil controller.

Mr. HANSON (York-Sunbury): And from the law officers of the crown.

Mr. ROSS (Calgary East): Yes. This matter is too serious to deal with at this time without further consideration by the oil controller.

Mr. CRERAR: I might deal with the point raised by the hon. member for Calgary East (Mr. Ross). So far as I am aware the question of placing a ceiling on royalties was not discussed with the oil controller, and I do not think it had been raised until it was brought up by the hon. member. It occurs to me that if you are to place a ceiling on royalties it can be done in two ways. First, it can be done by an understanding with the Alberta government. As a matter of fact this legislation does provide a ceiling for a period of ten years, although there may be a difference of opinion as to

what that ceiling should be. It provides a ceiling for ten years not only on the licences that were issued by the dominion government prior to the transfer of the resources, but on the licences issued by the provincial government subsequent to the transfer of the resources.

Mr. HANSON (York-Sunbury): It does not cover those who did not agree.

Mr. CRERAR: My hon. friend is first class at interrupting.

Mr. HANSON (York-Sunbury): All right; I do not want to be nasty about it. You have not quite stated the position. This does not provide a ceiling upon those who are not parties to it. It affects only those who have agreed to it. Let us have the true position stated.

Mr. CRERAR: As I stated, I am a bit handicapped—

Mr. HANSON (York-Sunbury): It is only those who come into the arrangement.

Mr. CRERAR: I will let my hon. friend finish, then.

Mr. HANSON (York-Sunbury): I wanted to have it correctly stated.

Mr. CRERAR: If my hon. friend is finished I would be grateful if he would let me go on for a while.

Mr. HANSON (York-Sunbury): Do not make misstatements.

Mr. CRERAR: I am not.

Mr. HANSON (York-Sunbury): Yes, you are.

Mr. GRAYDON: Perhaps it would be a good idea if both hon. gentlemen addressed the Chair.

Mr. CRERAR: The other way to get a ceiling on prices on royalties would be by arbitrary action of the oil controller under the powers given to him under the War Measures Act. I would point out to the hon. member for Calgary East that if that procedure were followed any ceiling that might be established would cease to have effect when the war was over.

Mr. HANSON (York-Sunbury): So it should.

Mr. CRERAR: We would then revert to the old condition of affairs. I am going to adhere to my argument that this does establish a ceiling on royalties in Alberta for a period of ten years. As I said a moment ago, there may be a difference of opinion as to where the ceiling price should be; nevertheless a ceiling is established. I think when you compare it with the prices prevailing in fields in other parts of north America it will be found that it is established at a reasonable level.

Mr. EDWARDS: There was one point the minister seemed to be quite sure about in his statement last night, and it is something over which I have been considerably exercised since. He referred to the undoubted power of the federal government to alter or change the terms and conditions of a lease by regulation after the lease had in fact been passed over to a private individual. This very matter has been the subject of judicial questioning only as recently as April of this year. The provisions of section 2 of the natural resources agreement came before the supreme court of Alberta in connection with the case of Anthony v. the attorney general of Alberta and the minister of lands and mines, reported at page 833 of volume 1 of 1942 "Western Weekly Reports". The question there was the right of the province to alter the terms and conditions or to refuse renewal of a timber lease which had been issued by the dominion government prior to the transfer of the natural resources, and which, therefore, came within the purview of the Alberta resources agreement, under this section 2 to which we are referring. I quote from the judgment. Referring to the Alberta government's order in council, it says:

> The order in council of July 25, 1940, prohibiting renewal of timber licences for more than ten years after the date of sale affects or alters the plaintiffs' licences which are renewable while merchantable timber remains on the limits and is ultra vires as being contrary to section 2 of the natural resources agreement. I declare the said provision in the order in council to be invalid and ultra vires as against the plaintiffs.

That in turn is supported by no less an authority than the Supreme Court of Canada in the case of Spooner Oils Limited vs. The Turner Valley gas conservation board and the attorney general of Alberta, which is cited in the Supreme Court Reports for the year 1933. With the permission of the Chair I would like to read what I consider is pertinent to the subject under discussion as found in the judgment of the Chief Justice of Canada. Here you had an oil and gas lease similar to the ones which are being discussed and which are contemplated by this very bill. I quote:

> The lease declares, in express terms, that it is granted by the Minister of the Interior, pursuant to regulations made for the disposal of petroleum and natural gas rights, by orders in council dated respectively the 11th days of March, 1910 and 1911, "a copy of which regulations is hereby appended". The term is twenty-one years,—

You will notice the language here is exactly that quoted by the minister:

—and the lease is "renewable for a further term of twenty-one years provided the lessee furnishes evidence satisfactory to the Minister of the Interior to show that during the term of the lease he has complied fully with the conditions of such lease and with the provisions of the regulations under which it was granted".

Among the "provisos, conditions, restrictions and stipulations" of the lease there is this:

(2) That the lessee shall and will well, truly and faithfully observe, perform and abide by all the obligations, conditions, provisos and restrictions in or under the said regulations imposed upon lessees or upon the said lessee.

The regulations "appended" to the lease contain the following:

That is the same form of lease that is still being issued.

21. The lease shall be in such form as may be determined by the Minister of the Interior, in accordance with the provisions of these regulations.

It appears that the lease is framed upon the view that the rights of the parties inter se are to be ascertained from the provisions of the lease, from the regulations, a copy of which is appended thereto, and such further orders and regulations and directions as may be made from time to time during the currency of the lease under article 9 of the lease or sections 23 and 24 of the regulations. The last mentioned sections are in these words:

"23. No royalty shall be charged upon the sales of the petroleum acquired from the crown under the provisions of the regulations up to the 1st day of January, 1930, but provision shall be made in the leases issued for such rights that after the above date the petroleum products of the location shall be subject to whatever regulations in respect of the payment of royalty may then or thereafter be made."

Mr. HANSON (York-Sunbury:) That is, by the dominion.

Mr. EDWARDS: Yes, of course, it can only be, because this is the 1910-11 regulations.

"24. A royalty at such rate as may from time to time be specified by order in council may be levied and collected on the natural gas products of the leasehold."

Note this, "as may from time to time".

But, it is argued that, notwithstanding the form of the lease itself, the concluding words of s. 1 of the regulations of 1910 and 1911 have the effect of incorporating, as conditions of the lease, all subsequent regulations made during the currency of the term. The sentence in which these words occur is this:

"The term of the lease shall be twenty-one years, renewable for a further term of twenty-one years, provided the lessee can furnish evidence satisfactory to the minister to show that during the term of the lease he has complied fully with the conditions of such lease and with the provisions of the regulations in force from time to time during the currency of the lease."

"The regulations in force from time to time during the currency of the lease" should be read, it is argued, as embracing all subsequent regulations whether incorporated in the terms of the lease, by force of some provision of the lease or of the existing regulations, or not.

And here is what the Chief Justice of Canada said:

We cannot agree with this view of the effect of these words.

Mr. HANSON (York-Sunbury): Certainly it would be bad law.

Mr. EDWARDS: He states:

The view suggested involves the result that the terms of the contract may in every respect be altered (as regards rental, as regards royalties, as regards the obligations of the lessee in respect to the working of the mine); and by one party to the lease acting alone, without consultation with the other; and with the result (a result which, as we have seen, actually follows in this case from the acceptance of the respondent's contention) that a contract radically new, in its essential terms, may be substituted for that explicitly set forth in the document executed by the parties and the specific regulations that it incorporates.

It will be observed that the proviso, in express terms, affects only the right of renewal. On the supposition that the proviso relates to this right of renewal, and to that right alone, we arrive (on the construction advocated by the respondents) at the truly extraordinary result, that, even under the renewed lease, the lessee is not bound by s. 29; although his right of renewal is dependent upon compliance with that section prior to the completion of the original term. It is difficult, no doubt, to think it could have been intended that the lessee's right of renewal should be conditioned upon the performance, during the term antecedent to its renewal, of obligations which the lessee was not required to observe as contractual terms of the lease. But to us it seems clear that, if it had been intended to incorporate, as one of the terms of the lease, a stipulation that all future regulations touching the working of the property should become part of the lease as contractual stipulations, that intention would have been expressed, not inferentially, but in plain language.

That is the judgment of the Chief Justice of Canada. I submit, in the light of the reasoning in both these cases, that there is very great doubt as to whether even the federal government can by regulation change and alter the terms of one of these leases, I come back to the thought which was uppermost in my mind. God knows that I do not want to do anything which would militate against the maximum production of oil in Alberta. But my solicitude on this occasion is this, that the firms and institutions and individuals who gave this federal government their money and bought these leases years ago, and have paid the rentals year after year, and have gone ahead and drilled wells and spent hundreds of thousands of dollars, are going to be cut off so far as the rest of their leases is concerned. We in effect are

saying to them, "On any of these old federal leases that you have not developed up to this date, from now on you are going to have to pay an increased gross royalty of 2½ per cent to the government of Alberta". Anyone who knows will tell you that 2½ per cent gross royalty is equivalent almost to a 12 per cent net royalty, which is a serious matter.

To my way of thinking, this government ought to respect its obligations to those people who in good faith contracted with it. If what the Alberta government wishes to do is fair, just and equitable, then there is no occasion to come to this parliament. Section 2 makes it abundantly clear that the provincial government can do anything they like as long as they treat all alike, or the parties themselves agree. The minister has said that the majority have agreed. Perhaps they have; but an agreement on the part of the majority to get an advantage for themselves is no reason why we should abandon the minority, who get nothing out of it and who are really paying the price of this agreement. So far as stability is concerned, as I see it the only stability that arises from this whole agreement —and I am satisfied that it is the only reason why these operators or oil well owners have signed it—is that they have confidence that the federal government, as it has heretofore done, will see that their contracts are performed and that the conditions are observed. And these people have not the same confidence in the government of Alberta.

Why should we as a parliament be a party, particularly at the instigation of the provincial government, to what in my opion is something that the Alberta government cannot of itself do by legislation, and is not fair, just or equitable? They would not need to be here, they would not need to do it by legislation such as this were the objective not discriminatory. The only stability that can possibly emanate, from the passing of this legislation, to the people having leases in Alberta at the present time is that they will feel they can always go to the federal government and say, "You are a party to this agreement; we have your signature that our royalties will not be more than 15 per cent on these provincial leases." But why should we attempt to exercise any control over a piece of property or an intangible right or asset over which we never had, have not now and never in the future can have any control? Personally I think it is asking too much. I think it is unfair and inequitable. I have grave doubts whether this legislation is not being asked for now to get rid of that very section in the Alberta resources agreement which the Supreme Court of Canada and the Supreme Court of Alberta have pointed out must be respected. It would be a satisfaction, I dare say, to the provincial government to say, "All right; get rid of that legislation and then we shall have a free hand to do as we please."

Mr. HANSON (York-Sunbury): The hon. member for Calgary West (Mr. Edwards) is to be congratulated upon his industry in looking up the decisions affecting this matter. I am quite certain the minister himself was not aware of these decisions or he would not have consented to this legislation. I suggest to him that he withdraw the bill in the light of the declared law of the country, because his primary premise is based on a false theory. I did not dare go that far last night, because I had not given consideration to the question, but there is no doubt, from the language of the chief justice in the case referred to by my hon. friend, that there is a contractual arrangement which cannot be altered. What this bill is trying to do is to violate a legal decision and to do by the backdoor method that which cannot be done directly. I do not think the minister wants to put himself in that position. I would not if I were minister. I would therefore ask him to move that the committee rise and report progress so that he may review the whole position. That is the proper procedure for him to take. It is what I would do; it is what anybody would do who is seized of the gravity underlying the whole principle of this bill. I have no brief for anyone, but if I had known about those decisions—I am not familiar with decisions in the western courts, nor have I had time recently to read decisions of the Supreme Court of Canada — I would have put them on the record last night, and I think I would have been justified in doing so. Again I appeal to the minister to move that the committee rise so that he may have the whole position reviewed and obtain an opinion of the Department of Justice. In the light of the statement of the chief justice, in that oil case, in the light of the declaration of the supreme court of Alberta in the case regarding the timber land, the minister will agree that he ought not to proceed to violate by legislation, which no doubt he has agreed to do on the strength of certain erroneous suppositions, a position which should not be so violated. He should not do what could not be done in any other way. Legislating away the rights of other people is bad legislation. It is bad in principle, bad in law and bad in ethics. I do beg of the minister that he review the whole position. The session is not over yet. The question of stability is fixed by statute. They

cannot raise the rates. The question of stability is washed off the slate by reason of these decisions. I am quite sure the minister did not know of these legal decisions. I am certain he would not have brought the measure along if he had known of them. He would have said to the government of Alberta, "The courts of the country have spoken and we do not propose to legislate the rights of people away." Once again I beg of the minister that he adopt what I believe is the manly course, what I believe is just and equitable, with regard to this legislation.

Mr. CRERAR: Of course I am not in a position to make a legal argument against the hon. member for Calgary West (Mr. Edwards). I do not know the point upon which the case he cited turned, but I assume from a simple reading of the terms of the licence—and I was so advised—that the federal government, had those resources remained with it, had the power to vary the terms.

Mr. HANSON (York-Sunbury): The Supreme Court of Canada says no.

Mr. CRERAR: I do not know whether its decision turns on that point. I know that when the licences were first issued in 1911 they provided that no royalty should be paid until 1930; I know that in 1919 they were amended and royalties provided for.

Mr. HANSON (York-Sunbury): But no one contested it.

Mr. CRERAR: That may be, but the provisions of the lease appear to be explicit on that point.

Mr. HANSON (York-Sunbury): The minister puts his judgment against that of the chief justice.

Mr. CRERAR: I do not accept that statement, because as I say I do not know whether the particular case cited by the hon. member for Calgary West turned on that point.

Mr. HANSON (York-Sunbury): Why not get legal advice?

Mr. CRERAR: However, that is not the most material part. I have stated that this measure will conduce to stability in Alberta. I think it will assist in the financing of wells for the production of oil that is greatly needed at the present time. If this committee and the house want to take the responsibility of preventing this legislation from going through, and tying it up and continuing that instability, that is a serious responsibility to assume. Everyone knows that oil production is necessary for our war effort. Therefore notwithstanding the fervent appeal made by the leader of the opposition I am afraid I cannot accede to his request to withdraw the measure.

Mr. HANSON (York-Sunbury): I have not asked the minister to withdraw it. What I suggest the minister would be well-advised to do is to ask that the committee rise, and then review the whole position in the light of the two legal decisions. It is quite apparent to me, after hearing the decision as read by the hon. member for Calgary West, that the chief justice of this country has decided against a major premise on which the minister bases his argument.

Mr. CRERAR: My hon. friend is wrong. The major premise on which I based my argument was that it would produce stability.

Mr. HANSON (York-Sunbury): That is one major premise. We will say both are major. I will not quibble as to which was more important. But certainly one major premise was the right to increase the royalty. That is definitely out. As to stability, if that decision is right you have stability now at 10 per cent.

Mr. CRERAR: If that be the case, why are there so many idle drilling outfits in Alberta?

Mr. HANSON (York-Sunbury): The reason was given in Mr. Wilkinson's letter, that the base price of crude is too low. That should appeal to the minister as a business man.

I do not suggest withdrawing the measure or throwing it out, but I suggest that the committee rise now and that the minister review the general position in the light of these judicial decisions. That, I submit, is a wholly reasonable course. If the minister adopts a judicial attitude, if his mind is receptive, he will be guided largely by what the law officers of the crown tell him is the effect of these decisions; and, if I apprehend the situation correctly, I believe the law officers will tell him that the rates of royalty cannot be increased if the legislation stands as it is. If that is the result that flows from that decision of the Chief Justice of Canada, certainly the minister would not lend his powers and the powers of this parliament to violating a contract which in a parallel or analogous case the courts have said in effect cannot be done. This government would not put itself in that position; the minister would be the last man to want to do it. If the minister does not take the course I suggest, he will be taking a grave responsibility upon himself, because he will be open to the

charge of forcing through a measure which in effect violates a decision of the highest court of appeal in this country. Let him review the whole position, and if the legal effect of those decisions is as indicated, then I am sure he will never proceed with this measure.

Mr. COLDWELL: I do not want to intervene in a legal discussion, but it seems to me that the leader of the opposition is taking the ground that because there has been a court decision on another matter which may have some bearing on the subject under discussion, this parliament should not, in the light of new conditions that have arisen, legislate to do something which the court several years ago held ought not to be done. I do not think this parliament should accept the position that it is bound by judgments of courts from time to time and should not exercise the sovereign power that is vested in the parliament of Canada.

Here we have a sovereign power, the parliament of Canada, entering into an agreement with a province, which has powers of its own. In other words, the governing bodies in the province and the dominion are, according to the argument now advanced, curtailed of their sovereign right by a judgment of the courts. I cannot accept that position. This parliament must do what in its opinion is best for the people of this dominion in the light of conditions as they exist at the time.

Mr. BENCE: They should have all the information.

Mr. COLDWELL: The bill has now been debated; the two governments concerned have, I assume, discussed this matter at great length and naturally have examined the implications of the measure, and in the light of the information that has been given this committee by the minister in support of this bill I think this parliament is justified in adopting the measure. I cannot accept the view that judgments of the courts on legal points, given under economic and social conditions existing at a former time, should restrain this parliament from doing something which now seems to be in the interests of the country. I urge the minister to go forward with his bill.

Mr. BENCE: I want to associate myself with the remarks of the hon. member for Calgary East when he asked the minister, in view of the discussion that has arisen and of the circumstances and of the questions that have been asked, at least to put this matter over for a short time in order that we may obtain this other information which seems to me to be so important, before this committee can intelligently decide whether or not this is a proper measure to be passed by this house. I think the minister has rather unfairly endeavoured to put the onus on the members of this committee for blocking this legislation, when he is not in a position to give the information which we have requested since yesterday. In view of the remarks of the hon. member for Calgary West and his reference to legal decisions with respect to the point which I raised a short time ago and about which the minister has advised the committee he knows nothing, he should, I think, at least obtain the judgment of the law officers of the Department of Justice before asking us to pass this bill. Furthermore, surely we are to be given the right to examine the correspondence and representations made on behalf of the various parties involved.

And what about the information we should have had as to the number of leaseholders affected, who have not agreed to this change? That information should be given to the committee before we, as representatives of the people, are asked to pass anything like this, before we are asked to do something which might, and I think will, discriminate against minorities. We also should be given further information beyond the bald statement made by the minister yesterday that this meets with the approval of the oil controller. Surely there must have been reasons advanced by the oil controller. Did he examine the situation and come to any considered judgment with regard to it? I suggest that despite what the minister has said, we are not fully cognizant of the situation and of all the facts we should have before we pass such a drastic measure as this. We are taking a very grave responsibility on our shoulders if we do pass it, in view of the lack of information and evidence in our possession.

The CHAIRMAN: Shall section 1 carry?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Mr. HANSON (York-Sunbury): No, Mr. Chairman, I am not willing to have this bill carried, and I think the minister is taking an attitude which is not justified by the situation. I have asked the minister not to withdraw the bill but to give further consideration to the effect of the bill, having regard to the legal decisions which have been cited here to-day and which require study not only on his part and the part of his departmental officials but by the officials of the Department of Justice. If the effect of those decisions is, as I apprehend it to be, that the federal government itself, if it had not transferred the natural resources, could not have varied the terms of

the leases, in accordance with the understanding which apparently was in the mind of the minister; if that is the effect of the decision of the chief justice, then I suggest that one main reason for bringing in this legislation falls to the ground. Undoubtedly that is the position; and that is a matter which should be very carefully inquired into, and the bill should be laid over for further consideration until that position is determined.

There is no doubt that the minister did agree to bring down the correspondence, and he has not done so. I have not attributed any motive; I think it was a lapse of memory, but there may be something in that correspondence which would throw some light on this situation, and this committee is entitled to see the correspondence before the bill proceeds further. The minister might very well do what I suggest and, if he decides to go on with the bill, have it called again at a later date. In the meantime let us have the correspondence, and let us submit the whole legal position indicated during this debate, especially by the hon. member for Calgary West, to review by the law officers of the crown. They will give an opinion based on the decisions, as to one of the major premises of the minister. If their opinion is as I think it will be, then I venture to prophesy—and it is always dangerous to prophesy what any individual will do—that the minister will not proceed with this bill, because the royalties under the leases are fixed, and there is stability. That answers his other argument.

I think I am making a reasonable request of the minister. I am not asking him to throw the legislation out the window, to withdraw it or anything like that. I am asking him to review the position in the light of the new developments and the new facts that are now before this committee. I cannot acquiesce in the doctrine that if there is an established position qua the public domain and individuals, as the courts have said there is, the legislatures of this country may wipe that out without compensation. Certainly in the United States there is the doctrine known as eminent domain. We have the right of expropriation here. We can wipe out a vested interest; but there is a corresponding obligation on the part of the crown or the state, when it does that sort of thing, to place its citizens who are thereby affected in a position equally good. That is embodied in the constitution of the United States. That is embodied in the bill of rights there. That is one of the most sacred doctrines of this country; and we should not give adherence to a theory that rights conferred on the citizens of this country, confirmed by judicial opinion, may be wiped out over night, at the will or whim of a legislature, without the right of compensation. There is just one overriding provision. That is, if those rights were obtained by fraud, then of course it is a sound principle that fraud vitiates everything, and any rights based on fraud should not be respected by the courts.

Mr. COLDWELL: The leader of the opposition mentions the bill of rights and the law of eminent domain in the United States as having some bearing on this matter. We are not part of the United States. We are a country which operates under a constitution and a code of law, and where the Canadian code of law is silent we usually go back to British practice and precedence. What is the analogous constitutional position under the British constitution?

Mr. HANSON (York-Sunbury): Of course, Britain has no written constitution, which always has been a matter of congratulation there, because they can go on and make constitutional precedents from time to time as they desire. Here we have a written constitution, and there have been times when it has been difficult to have existing situations conform to the constitution, in the best public interest. But the universal practice in this country is that if the crown deprives a citizen of his property, the citizen has a right of compensation. It is a universally recognized principle in this country, especially in the federal arena, that if the crown takes away my rights, I may by petition to the crown ask for a fiat and have the whole matter tried in the courts; and the courts are delegated by certain statutes of this country not to give me my right back but to give me a money compensation in lieu of my rights. I do not think anyone would ever want to promote any other theory than that, because it would be against sound conscience.

I appeal to the minister to review the position. If the law officers of the crown say that the decisions are wholly inapplicable, then of course the minister is on pretty sound ground with regard to his second major premise, that they had the right to vary the terms if the transfer had not been made. I do not think that is true, and I listened very attentively to that decision. If the minister finds that the law officers of the crown say that the decisions are applicable, then certainly he should review the whole position and tell the province of Alberta that since we negotiated, the courts have passed on this very question. I think it was only in April of this year, which was only last month, that

the decision in the Anthony case was handed down. I am told that the decision was given in February and that it was reported in April. That is since this bill was introduced. That is now the law of Alberta. If the principles applicable to the Anthony case are at all analogous to the facts in this case, then I am sure the minister will not proceed with this legislation. It would be shocking if he did, because he would be putting the imprimatur of his approval on a position which is illegal. I am sure the minister does not intend to do anything of that kind; he would not be a party to it for a minute. Neither should the House of Commons be a party to that kind of legislation.

My suggestion, therefore, is that the minister ask the committee to rise, report progress, review the whole position and get the opinion of the law officers of the crown with respect to this particular situation. Let him get all the circumstances in connection with this legislation, and the facts upon which it is based, having regard to the judicial decisions put on record this afternoon by the hon. member for Calgary West. That is a reasonable request, and I suggest that the minister should have no hesitation whatsoever in accepting it. If he finds the position as I think he will find it, then I believe he will not proceed with the bill. If he finds the facts are not as I think they are, then there would be some justification for his proceeding, and he would probably have the bill put through.

I do not wish to take up the time of the committee in debating this question, no matter how important the principle is. The mere instance of the bill and the effect on some of these people are not worth spending much time upon. But there is a principle involved—

Mr. BLACKMORE: Would the hon. member permit a question.

Mr. HANSON (York-Sunbury): Yes.

Mr. BLACKMORE: He is using time quite generously. Would he mind letting someone put a brief question?

Mr. HANSON (York-Sunbury): That is the most nonsensical statement I have ever heard, and I do not propose to permit him until he has shown somewhat better respect. The hon. member was not even in the house when this bill was under debate on second reading.

Mr. BLACKMORE: I was in the house.

Mr. HANSON (York-Sunbury): I think not. I watched to see, but he did not intervene. The question was a foolish one, and I am not going to allow—

[Mr. R. B. Hanson.]

The CHAIRMAN: The statement of fact as to whether or not an hon. member was in the house is determined by the statement of the hon. member, and is not subject to discussion. If the hon. member says he was in the house, then that ends the discussion.

Mr. HANSON (York-Sunbury): I will say this, then, sir, that technically I think your ruling is correct. But I looked at the hon. member's seat, and he was not there. I looked around to see him, and I wondered why he was not there.

The CHAIRMAN: But it is not permissible to discuss the point—

Mr. HANSON (York-Sunbury): I understand that.

The CHAIRMAN: —because the leader of the opposition might not have seen the hon. member, and furthermore he might not have been in his seat.

Mr. BLACKMORE: I want to know whether the leader of the opposition will permit a question?

Mr. HANSON (York-Sunbury): If it is the type of question the hon. member just asked, the answer is no—and without any debate. I do not wish to take up the time of the committee, but there is a principle involved—

Mr. BLACKMORE: Obviously not!

Mr. HANSON (York-Sunbury): Order; I ask for order.

The CHAIRMAN: Order, please. It is not permissible—

Mr. COLDWELL: We know the rule.

The CHAIRMAN: —to repeat an argument over and over again. I have been listening to the leader of the opposition and I believe I gave him very reasonable latitude. But the point the leader of the opposition was developing just now, when he was interrupted, is one which has been made three or four times since I took the Chair at a quarter to five o'clock. Therefore I would point out to hon. members that the business of the house is a serious matter. It is not desirable that the discussion should be curtailed, but on the other hand I expect the cooperation of hon. members to offer serious arguments to the question before the Chair.

Mr. BLACKMORE: Mr. Chairman, it seems to me there are three or four matters involved in this question. The first one is this: Shall the province of Alberta have a right to her natural resources equivalent to the right each over her own natural resources

possessed by New Brunswick, or by Ontario, or by Prince Edward Island? This bill is designed merely to confer upon Alberta that right—and no more.

My second question is this: At the time the province of Alberta was formed had the dominion parliament the right to confer upon that province rights over her resources equivalent to the rights possessed and enjoyed by New Brunswick, Prince Edward Island and Ontario over theirs?

Third: If the dominion government did not possess that right, why not? If it did possess the right, then did it confer upon Alberta power over her resources equal to those possessed by New Brunswick? Then, if for any reason, through legal terminology or through any other deficiency whatsoever, the dominion government in making an endeavour to pass on to Alberta in 1930 rights equivalent to those possessed by New Brunswick, failed to do so —the dominion having the desire, but failing to carry out the intention—has the dominion government at the present time the right to remedy the defect, and to pass a measure which shall in effect transfer to Alberta sovereign rights over her resources, equivalent to those enjoyed by Prince Edward Island?

If these questions are answered in the affirmative, then there is no doubt at all about the power of this parliament to pass this measure and to make it effective.

May I for a moment or two turn to the two cases cited by the hon. member for Calgary West. In listening to them for the first time one obviously had some difficulty in assessing them accurately. However, listening to those cases as they were being read, I gathered that the first one was not analogous at all, and did not apply to this debate. The decision of the Alberta supreme court was on the question whether or not Alberta had the power to make an order in council affecting the leasing of timber rights in Alberta, transferred to that province in 1930 by an act which this bill is designed to supplement. There is no analogy whatsoever between that situation and the one which confronts this parliament. What we are now trying to determine is whether or not this parliament of Canada has the authority to confer upon Alberta complete control over her resources. The second case to which the hon. member for Calgary West referred had to do, perhaps with the question as to whether or not this parliament had the power to pass on to Alberta the necessary powers. It certainly has nothing to do with the power of this parliament to pass this measure. I say that the matter for us to decide is whether or not we shall pass this measure. If, after we shall have passed the bill, a court sees fit to rule that the legislation is invalid, then it will be the responsibility of the court. But as to the matter of passing the measure, and of endeavouring, in so far as in us lies the authority, to confer upon Alberta sovereign rights over her natural resources, I maintain that this dominion government unquestionably has that power to pass such an act, and should do so.

Mr. CRERAR: As every member of the committee is aware, I do not profess to be able to pass any opinion upon legal arguments. It is ten minutes to six o'clock and since it is quite obvious that we are not going to complete this measure this afternoon, I intend to move that the committee rise, report progress and ask leave to sit again. A short time ago the leader of the opposition was in a mood of sweet reasonableness. When my hon. friend who leads the opposition assumes that mood—and I think he does it sincerely; he has evidently cultivated it to some extent—he is almost irresistible. I am now, if I were not before, fully persuaded as to the qualities that have led my hon. friend so far along the path of success. There may be something in the point he has raised, but my own surmise is that the case referred to by the hon. member for Calgary West probably turns on a different point. At any rate, we shall endeavour to get that cleared up. Even though the hon. member for Calgary West and the leader of the opposition may be right in the point they have raised, I still think that the main reason for giving favourable consideration to this measure still stands. We shall all be probably a little wiser for thinking it over, and so I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

BUSINESS OF THE HOUSE

Mr. HANSON (York-Sunbury): May I say to the minister with respect to the war appropriation resolution that the official opposition feels that it should be passed this week in order that the biggest item on the whole legislative programme may be out of the way. We will endeavour to facilitate progress. I would say that when the Minister of National War Services is finished we may possibly arrange or decide that any questions which may arise with respect to other ministers could be taken up at some other appropriate occasion. I do not think we should hold up the two important measures that are in the offing, Bill No. 80 and the budget. I urge this course because I do not contemplate sitting here all summer. I want to offer to the minister this notice that we wish to facilitate

the passing of this resolution with reasonable discussion with respect to national war services.

Mr. COLDWELL: We shall be glad to facilitate discussion, but it comes as rather a surprise to me to hear the leader of the opposition, who told us yesterday that the war appropriation resolution was the most important matter before the house and ought to be scrutinized, say that he is going to put through this important measure this week because there are other matters in the offing. If there was anything in what he said yesterday, we should not limit in any way the discussion of these large appropriations that are now before us.

Mr. HANSON (York-Sunbury): I think we have had a fairly ample discussion.

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

Thursday, May 28, 1942

The house met at three o'clock.

THE ROYAL ASSENT

Mr. SPEAKER: I have the honour to inform the house that I have received the following communication:

Ottawa, May 28, 1942.

Sir:—I have the honour to inform you that the Hon. Thibaudeau Rinfret, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber on Thursday, May 28, at 5.45 p.m. for the purpose of giving the royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
F. L. C. Pereira,
Assistant Secretary to the
Governor General.

INCOME AND CORPORATION TAX

AGREEMENT WITH PROVINCES—COMPENSATION FOR VACATING TAX FIELDS AND ARRANGEMENTS FOR SUBSIDIES

Hon. J. L. ILSLEY (Minister of Finance): I wish to lay on the table copies of the tax agreements between the dominion and the provinces. The agreement between the dominion and the province of Quebec has now been signed and I am in a position to table complete copies of all the agreements. This is really in compliance with a motion for a return made by the hon. member for Hastings South (Mr. Stokes) on April 22.

[Mr. R. B. Hanson.]

ALBERTA NATURAL RESOURCES

AMENDMENT OF TRANSFER AGREEMENT RESPECTING ROYALTIES ON OIL PRODUCTION—CORRESPONDENCE

Hon. R. B. HANSON (Leader of the Opposition): If it is in order may I ask the Minister of Mines and Resources if he will see that the correspondence with respect to the Alberta bill be tabled as soon as possible.

Hon. T. A. CRERAR (Minister of Mines and Resources): Yes. I directed this morning that inquiries be made of one or two other departments that may have correspondence relating to it. As soon as I have that information I see no reason why I should not bring it down.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FREIGHT RATES—SCRAP METAL

Mr. JOHNSTON (Bow River):

What were the freight rates on scrap metal from Calgary and/or Edmonton, Alberta, to (a) eastern Canada, (b) Vancouver, during the years 1938, 1939, 1940, 1941 and to date in 1942, by (1) Canadian Pacific Railway, (2) Canadian National Railways?

Mr. HOWE: From Calgary to Vancouver, 45 cents per 100 pounds; from Edmonton to Vancouver, 50 cents per 100 pounds. Rates to eastern Canada vary according to destination. Using Hamilton as typical point of destination, rates from Calgary during the years 1938, 1939, 1940 and prior to August 11, 1941, 81½ cents, and subsequently 75 cents. From Edmonton during the years mentioned prior to June 9, 1941, 80½ cents, and subsequently 75 cents.

FEMALE WORKERS IN WAR FACTORIES

Mr. LaCROIX (Quebec-Montmorency):

1. Will the government take steps to prevent married women from working on night shifts in war factories? If so, when is it proposed to put this regulation into effect?

2. Will the government fix the maximum weight of loads which girls are compelled to carry or handle in war factories? If so, when is it proposed to do so?

Mr. MITCHELL: With respect to both these questions, the regulation of conditions of employment in industrial establishments is a matter for the provincial authorities except in respect to wages. I should say however that the Dominion Department of Labour continually supplies the respective provincial governments with the latest information from other countries and also our own with respect to the subject matter raised in these questions.

Mr. HANSON (York-Sunbury): That is hardly a correct statement. If it is in government-owned factories or federal public works we have jurisdiction over everything. Make no mistake about that.

USE OF CANADIAN CEREALS IN MANUFACTURE OF SYNTHETIC RUBBER

Mr. FAUTEUX:

1. Have scientific investigations been carried on by the Department of Agriculture or otherwise as to the possibility of utilizing Canadian grown cereals to produce butadiene which is used in manufacturing synthetic rubber?

2. Has the Department of Agriculture made scientific research into the possibility of producing alcohol, rubber, starch and other commodities from certain farm products?

3. If such research has been carried out, was a report made to the Department of Munitions and Supply thereof?

4. Has the attention of the Department of Agriculture been called to the possibility of converting certain Canadian grown cereals into products necessary in our war effort by (a) companies engaged in distributing petroleum and rubber in Canada, (b) the Department of Munitions and Supply, (c) the national research council?

Mr. GARDINER: May I suggest to the hon. member that this question in its present form be dropped and that the information be asked for from the Department of Trade and Commerce? The national research council would have any information that is available, and I think it would be better if it came direct from that department.

Question dropped.

OFFICE OF GOVERNOR GENERAL'S SECRETARY

Mr. FLEMING:

1. Has the governor general changed his office from the east block to Rideau Hall?

2. If so, who asked for this change?

3. Did the government suggest that the office he moved from the east block?

4. Was this done in the interest of economy?

Mr. CRERAR: The arrangements for moving the offices of the governor general's secretary from the east block to government house, which are now nearing completion, have been made by mutual agreement of the departments of government concerned. This rearrangement of offices is due partly to the wartime shortage of suitable office space, which is particularly acute in the east block, and partly to the desirability of bringing together the branches of the governor general's office.

QUESTIONS PASSED AS ORDERS FOR RETURNS

OLD AGE PENSIONS

Mr. REID:

1. Have representations been made to the dominion government by any of the provinces seeking amendments to the Old Age Pension Act, with a view to increasing the amount provided for in this act?

2. If so, by what provinces and of what nature were such representations?

PRICE CEILING—FRUITS AND FRUIT JUICES

Mr. BLACK (Cumberland):

1. What is the present rate of subsidy paid on the following, (a) grapefruit juice, (b) pineapple juice, (c) prunes (dried)?

2. What quantity of each has been imported to May 1, 1942, and on which subsidy has been paid, (a) grapefruit juice, (b) pineapple juice, (c) prunes (dried)?

3. What is the total amount of subsidy which has been paid to May 1, 1942, on (a) grapefruit juice, (b) pineapple juice, (c) prunes (dried)?

PRICE CEILING SUBSIDIES

Mr. DIEFENBAKER:

1. What is the total amount that has been disbursed for (a) domestic subsidies, (b) import subsidies since the commencement of price ceiling operations?

2. What is the total amount as yet unpaid now due or accruing due and for which the government is liable, (a) for domestic subsidies, (b) for import subsidies?

WAR APPROPRIATION (UNITED KINGDOM FINANCING) ACT

Mr. O'BRIEN:

1. What is the total amount which has been expended to date, under the provisions of the War Appropriation (United Kingdom Financing) Act, 1942?

2. What methods are adopted to segregate accounting under this act from accounting for other purchases of munitions and supplies?

3. Are records kept to indicate the total quantity and monetary value of each type of munitions and supplies purchased in Canada pursuant to the provisions of this act?

4. Have any regulations been made by the governor in council, pursuant to section 3 of the act?

5. Has the governor in council approved the form, terms and conditions of the obligation of the United Kingdom, pursuant to section 4 (2) of the act?

6. Has the governor in council approved any terms and conditions subject to which the minister may purchase Dominion of Canada securities and Canadian National Railway securities provided for in section 5 of the act?

AIRCRAFT INDUSTRY—MORALE-BUILDING CAMPAIGN

Mr. DIEFENBAKER:

1. What has been the total cost to date of the morale-building campaign in the aircraft industry conducted by E. G. Hirst?
2. Have any brochures, pamphlets, magazines, circulars, or other publications or material for use in connection with said campaign been issued? If so, what firm or firms did the printing? What was the total amount paid to each such firm therefor?
3. What has been the total expenditure for other printing in connection with this campaign, whether incurred by or under the direction of Mr. Hirst or otherwise?
4. What is the total amount which has been paid by Mr. Garratt to Mr. Hirst in connection with this campaign? On what dates were payments made, what was the amount of each payment and for what particular purpose was each payment made?
5. What persons have been employed and/or paid by the Department of Munitions and Supply to assist Mr. Hirst in his morale-building campaign? What are their names, and what salary and/or allowances does each receive?
6. Are any persons employed to assist Mr. Hirst in this campaign who are not paid by the Department of Munitions and Supply? If so, what are their names and what salary does each receive?
7. What is the total amount of contributions which have been received by Mr. Garratt from aircraft companies? What companies contributed and in what amounts?
8. Have any contributions been returned to the aircraft companies? If so, what companies and on what dates?

VALMORE BIENVENUE, K.C.

Mr. ROY:

1. Has Mr. Valmore Bienvenue, K.C., of Quebec, been employed by the dominion government or any government commission, during the years 1941 and 1942?
2. If so, (a) upon what dates, (b) for what services, (c) what has been paid him to date for expenses and fees?

CONSCRIPTION OF WEALTH

REFERENCE TO STATEMENT OF HON. MR. MACKENZIE IN WINNIPEG

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to ask the Minister of Pensions and National Health when he will be good enough to clarify the statement which he is reported to have made at Winnipeg recently and indicate what he means by "conscription of wealth".

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health); When the appropriate debate takes place I shall be glad to discuss again what I have frequently discussed in the past.

[Mr. O'Brien.]

LABOUR CONDITIONS

DISMISSAL OF TRADE UNION MEMBERS IN MONTREAL

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I should like to direct a question to the Minister of Labour, of which I am sorry I had not opportunity to send him notice; the telegram has just come to my attention. I am informed that unrest is rapidly growing because of dismissal of members of trade unions in Montreal. This telegram is signed by E. E. Larose, secretary of the Montreal district council of carpenters. I shall not read the telegram because I assume it has been communicated to the minister.

Hon. HUMPHREY MITCHELL (Minister of Labour): I have not yet received the communication which my hon. friend mentions. I do not know what Mr. Larose is referring to, but I would say in connection with the last question asked—I think it was Dominion engineering works, Montreal—

Mr. COLDWELL: Last Friday.

Mr. MITCHELL: —that I have already appointed a commissioner to go there and make an investigation.

Mr. COLDWELL: I will send the telegram to the minister.

GASOLINE

REDUCTION IN VALUE OF RATION COUPONS IN MARITIME PROVINCES

On the orders of the day:

Mr. A. J. BROOKS (Royal): I should like to ask a question of the Minister of Munitions and Supply with reference to the cutting of the value of the gasoline coupon in the maritime provinces. I have here a telegram addressed to myself, as follows:

Obtain from Mr. Howe answers to the following questions:

If the gasoline coupon was cut from five to four gallons in Ontario and Quebec would this release tank cars which might then be available for use in the maritimes? Could our railways handle extra tank cars if they were given to them for shipment to the maritimes? Answers to the above questions imperative to preserve national unity and faith in the government's integrity.

Saint John Trades and Labour Council.
Lancaster Board of Trade.
New Brunswick Federation of Labour.
Saint John Branch Retail Merchants' Association.
Kiwanis Club of Saint John.
Gyro Club of Saint John.
Canadian Legion, Saint John Branch.
Hotel Association of New Brunswick.

Service Stations Section of Retail Merchants' Association.
Northend Improvement Association of Saint John.
Uptown Improvement Association of Saint John.
New Brunswick Automobile Association.
Canadian Manufacturers' Association, Maritime Branch.
Canadian Construction Association, Saint John Branch.
Saint John Junior Board of Trade.

Hon. C. D. HOWE (Minister of Munitions and Supply): I can only say what I have said before, that every gallon of petroleum products that can be shipped to the maritimes is being shipped. The situation in Ontario and Quebec is quite separate from the situation in the maritime provinces. As for national unity and faith in the government's integrity, my principal and paramount interest at the moment is to supply sufficient gasoline for the navy, the air force and the merchant marine.

Mr. BROOKS: The minister has not answered the questions asked in this telegram. The first question is: if the gasoline coupon was cut from five to four gallons in Ontario and Quebec, would this release tank cars which might then be available for use in the maritimes?

Mr. HOWE: The answer is no.

Mr. BROOKS: Well, that is definite.

THE MINISTER OF LABOUR

PRESS REPORT OF ADDRESS BEFORE CANADIAN FEDERATION OF MAYORS

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): I wish to direct a question to the acting leader of the house (Mr. Crerar). Did the Minister of Labour express the views of the government when, speaking before the Canadian federation of mayors, he is reported to have said:

> The war is going to be won on the North American continent, and with the United States and Canada the only two countries that have mastered the technique of mass production.

Hon. T. A. CRERAR (Minister of Mines and Resources): In the first place the hon. member quotes from a newspaper report. I think it would be a fair question whether he vouches for the accuracy of the report. In the second place, this is the first intimation I have heard of it, and of course he would not expect me, deputizing for the moment for the Prime Minister, to answer a question of the kind.

Mr. BRUCE: I should just like to say that in my experience the press is usually accurate.

CANADIAN FORCES

INEQUALITIES IN RATES OF PAY AND ALLOWANCES

On the orders of the day:

Mr. T. L. CHURCH (Broadview): Now that hon. members have before them the rates of pay and allowances of the three branches of his majesty's forces I would ask the government, or the three ministers of defence, if they would consider the inequalities and injustices therein shown. I would suggest that the three ministers, together with the Minister of Pensions and National Health, have the pensions committee consider the subject, as was said when these matters were debated early in September, 1939. Probably the Minister of Pensions—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. I am afraid that question cannot be answered to-day. If the hon. member would put it on the order paper it might be answered to-morrow.

Mr. CHURCH: You might as well put it in the wastepaper basket. I am going to challenge that ruling some day, Mr. Speaker.

WAR RISK INSURANCE

PROVISION FOR COMPENSATION FOR WAR DAMAGE TO PROPERTY

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee to consider Bill No. 56, to make provision with respect to insurance of property against war risks and the payment of compensation for war damage.

Motion agreed to and the house went into committee, Mr. Vien in the chair.

The CHAIRMAN: The bill has been reprinted as amended. Copies of the reprinted bill are on the table.

Section 1 agreed to.

On section 2—Interpretation.

Mr. NEILL: I want to ask a couple of questions of the minister in charge of this bill.

The CHAIRMAN: Are they applicable to the definitions?

Mr. NEILL: Yes. Are we dealing with the whole of section 2 or are we going to take it up by paragraphs?

The CHAIRMAN: We can take it up paragraph by paragraph.

Paragraphs (a) to (e) inclusive agreed to.

On section 2, paragraph (f)—Inland waters.

Mr. HANSON (York-Sunbury): I should like to congratulate the banking and commerce committee on having inserted this definition covering inland waters. I wonder if it meets with the approval of the administration, since it was not in the original bill. Canada being a country with large indentations on her coasts, I think this was a very desirable amendment. Is the minister in agreement?

Mr. ILSLEY: Yes; I am in agreement with the amendment.

Mr. NEILL: Should that not read "for the purposes of this act"? I believe inland waters are defined somewhere else, and this might be taken to be a subsequent ruling or alteration.

Mr. ILSLEY: The opening words of the section are, "In this act, or in any policy of insurance executed pursuant to this act, unless the context otherwise requires". Therefore the definition is subject to this limitation.

Mr. HANSON (York-Sunbury): It is limited to this act.

Mr. ILSLEY: Yes.

The CHAIRMAN: This clause was added by the banking and commerce committee.

Mr. HAZEN: I was under the impression that the word "rivers" was to be included in this paragraph, so that it would read, "Inland waters means all the lakes, rivers and other navigable fresh waters". Was that left out by inadvertence? Some rivers are not fresh water streams. I have in mind the Saint John river, in which the water is tidal for about eighty-four miles, and it is not fresh for some thirty or forty miles from its mouth. When the bill was before the committee I was under the impression that the word "rivers" was to remain in this subsection.

Mr. ILSLEY: I will check at once to see if that is a mistake. I think it is, personally. My recollection is the same as that of the hon. gentleman. Perhaps we could go on with the other paragraphs and let this matter stand, so that in the meantime it may be checked.

Mr. HANSON (York-Sunbury): What has been said applies to nearly all the rivers on the Atlantic coast. The Miramichi river is in exactly the same position as the Saint John river; so are the Restigouche and all the important rivers of New Brunswick. There are also tidal rivers, with the sea running in and out of what are really salt water lakes, although I do not think they are very important. I suggest that the word "rivers" be put in now and be done with it.

[The Chairman.]

Mr. ILSLEY: I want to keep it uniform with the definition in the Canada Shipping Act.

Mr. REID: Does this also take in salt water? It mentions fresh water rivers, but I am thinking of a place like the Queen Charlotte islands, out in the open sea, where there are harbours, ships and other property. I think the minister should make it clear whether or not this bill refers only to rivers and tidal and fresh waters. If it does, then the bill is very narrow.

Mr. ILSLEY: If I understand the hon. gentleman properly, he is under the impression that only property on inland waters may be insured. The property that may be insured is property in Canada, but not including ships other than vessels used solely in docks, ports, rivers or inland waters. The question is whether we have been too restrictive in our definition of inland waters. Perhaps the hon. gentleman will state his point again and tell us what he has in mind.

Mr. REID: I am thinking first of all of Juan de Fuca straits, where our fishing boats and other vessels go; and of the Queen Charlotte and other islands seventy or eighty miles out to sea, where there are harbours and ships and property of all kinds.

Mr. ILSLEY: They are excluded because they can be insured without regard to this act.

Mr. CRUICKSHANK: Would this cover Burrard inlet, which is part fresh and part salt water? That is where all our shipbuilding is, where all the ships load, and there the fresh water meets the salt water halfway up the inlet. As I understand this section, the act would not apply there.

Mr. ILSLEY: Ships are excluded other than vessels used solely in docks, ports, rivers or other inland waters. If the vessel is used solely in a port it is regarded as property in Canada, and insurable.

Mr. NEILL: Under what section?

Mr. ILSLEY: That is paragraph (j). I was to check to see if the word "rivers" had been intentionally omitted from paragraph (f). I would point out that the definition in the Canada Shipping Act includes the word "rivers". As it appears in line 21, page 2 of the bill, it would therefore be a repetition to include rivers in the definition of "inland

waters". The property that may be insured is property in Canada, other than ships—"other than vessels used solely in docks, ports, rivers, or inland waters." That permits insurance of the vessels used solely on the Saint John river, because they are used only on a river. It also permits vessels used solely in inland waters to be insured, and for the purposes of this measure it is useless to include in the definition of "inland waters" the word "rivers" over again.

Mr. HANSON (York-Sunbury): But it would not do any harm, would it?

Mr. ILSLEY: No, I do not think it would.

Mr. REID: Does the paragraph exclude ships? It says, "shall not include ships, other than vessels used solely in docks."

Mr. HANSON (York-Sunbury): Because they are now insurable; that is the theory.

Mr. ILSLEY: Yes.

Mr. ROSS (St. Paul's): Is it not the intention to include all other navigable waters? Could we not leave out the word "fresh"?

Mr. ILSLEY: The phrase in the shipping act is "navigable fresh waters".

Mr. CHURCH: I should like to ask what the word "insured" means, under section 2. The definition in paragraph (g) is,—

(g) "Insured" means any person with whom the minister enters into a contract of insurance.

This measure is one which insures property against war risk. Who takes more war risk than the soldier, who has been denied by the minister a national system of insurance? I say he should come under this section. The committee has ignored that point altogether, but the soldier is property, and he is taking the greatest risk in this war. There is no use in our having a law for property and no law for human life. The definition should have included a proper system of national insurance for soldiers and their dependents now and for three years after the war. I would ask the minister to explain what the term "insured" really means, and why soldiers who risk all are forgotten.

Mr. ILSLEY: If it is satisfactory to the committee, we might pass paragraph (f).

Paragraph (f) agreed to.

On section 2, paragraph (g)—"insured".

Mr. HANSON (York-Sunbury): The hon. member for Broadview has a question to ask on this paragraph.

Mr. ILSLEY: I understand that the hon. member has asked me to make a statement with regard to life insurance for returned soldiers. I submit that such a statement would not be in order on this bill.

Mr. CHURCH: Paragraph (i) defines "person". Is the minister prepared to make a statement to the effect that he will include in the word "person" a soldier in the armed forces? We must remember that the soldier is taking a greater risk than anyone else. His life, even death itself, and his property and family are at his country's service. Here we have a bill containing a number of definitions which, I submit, are purely academic, as is the whole act. I doubt if one dollar will ever be paid under this measure; in my opinion it is just like the black-outs.

The public has not been informed as to the meaning of this bill, nor have the members—all is secret, and the definitions will lead to untold litigation and relieve the insurance companies of their duty. It is not the function of parliament to deal with property and civil rights in the provinces; those are matters over which the federal parliament has no jurisdiction. Neither have we any right with respect to the law of contract or laws involving employers and employees. The committee will be wasting its time if we go any further with this measure this year, while refusing even to deal with the soldiers' insurance matter which has been on the order paper since the war began; they ignored it because the insurance companies opposed it. The standing committee which considered this measure, and accepted the definitions appearing in the bill, forgot all about the soldier who is bearing all the risk he does for the country, and gets only $1.30 a day for flying over Germany.

Mr. HANSON (York-Sunbury): This may be the appropriate place to discuss the question raised by the hon. member for Broadview.

The CHAIRMAN: We are on the definitions section; the principle of the bill is not yet involved.

Mr. HANSON (York-Sunbury): We are talking about what is covered by the term "insured", and I am suggesting that what has been said is relevant. We are considering a bill to insure persons and property against damage from war; in other words we are considering damage to material things. In this bill the government has failed to give any consideration to insuring the lives of the men who are fighting for us, and who are risking their all.

The CHAIRMAN: I do not believe that the point raised by the leader of the opposition properly comes under the definition of the

word "insured". The question now before the committee is as to what that word should mean. The definition suggested in the bill is:

(g) "Insured" means any person with whom the minister enters into a contract of insurance.

The point now before the committee is therefore what the word "person" should include for the purposes of this bill.

Mr. HANSON (York-Sunbury): Speaking to the point of order, I believe the chairman is technically correct. I am not questioning his decision. I could have made my observations on the preamble, but since the subject has been brought up by the hon. member for Broadview I thought this was the proper time to speak. If I am ruled out of order I shall reserve my right to speak on the preamble of the bill.

The CHAIRMAN: I am afraid it will be impossible to follow the rules of the house if any hon. member is permitted to discuss a subject which is not before the committee. Paragraph 2 of standing order 58 is very clear on that point. The Chairman, of course, is exclusively in the hands and at the service of the committee, but he must apply the rules. If hon. members do not strictly confine their remarks to the section before the committee, they violate a rule which it is the duty of the Chairman to enforce.

Mr. NEILL: I should like to speak to the point of order. We are discussing what shall be insurable under this bill, and the hon. member for Broadview wanted to include some other classes of person than those referred to in the paragraph.

Mr. ILSLEY: It is property that is insurable under this bill. The hon. member for Broadview was talking about life insurance, not property insurance.

Mr. NEILL: The paragraph reads:

"Insured" means any person with whom the minister enters into a contract of insurance.

The hon. member was discussing whether that would include Jones or Smith.

Mr. ILSLEY: This would cover every man in the forces who loses property which is insured under this measure.

Mr. HANSON (York-Sunbury): The hon. member was asking that you insure his life.

Paragraph (g) agreed to.

Paragraphs (h) and (i) agreed to.

On section 2, paragraph (j)—property.

Mr. NEILL: It may be my ignorance and I may have lost touch with the meaning of legal language, but I do not understand just what this covers and I should like to have some information from the minister. I think the drafting of this paragraph could be made clearer. It states that property shall include certain things but shall not include land, growing crops, plants and trees, as well as ships, other than vessels used solely in docks, ports, rivers, or inland waters. First, I should like to know whether "trees" would cover standing timber and timber that is lying down, what they refer to as fallen timber. If fallen timber and trees are not included, one of the greatest assets of British Columbia will not be insurable. This is one of the things that is most likely to be subject to damage by the enemy. All they would have to do is to send over some planes with these leaflets or inflammable packets and they would be able to do incalculable damage. It is estimated in British Columbia that there is always one billion feet board measure of timber fallen and cut into logs. It is this type of timber that would be likely to suffer the most damage, because fire might start in the logs when they are lying close together and the damage would be great.

My next question has to do with the paragraph referring to ships, other than vessels used solely in docks, ports, rivers, or inland waters. This definition would apply to shipping on the great lakes, but on the Pacific coast there is an investment, I believe of $800,000,000, in the canning industry and the shipping industry which is connected with it. A boat may leave Vancouver to go to the west coast to fish or to bring back a shipment of salmon and it would be liable to enemy action off the west coast. Apparently that boat is exempted from the provisions of this bill and it would not be possible to insure it. I understand that the insurance people will not insure against war risk in these waters.

Mr. ILSLEY: The hon. gentleman is not correct.

Mr. NEILL: Once the ship got outside the harbour it would not come under this bill. I may not have understood this paragraph correctly, and I hope I am wrong, but it would seem that the two largest interests in British Columbia have been forgotten.

Mr. ILSLEY: Standing timber and trees are not insurable under this bill.

Mr. HANSON (York-Sunbury): Or fallen timber?

Mr. ILSLEY: Anything severed from the soil such as logs and lumber is insurable under this bill. The practice under fire insurance is exactly the same. It would be almost impossible to ascertain the damage to standing

timber as well as the cause of the damage, and after consideration we decided that we should not go into the business of insuring standing timber when nobody else does.

Mr. NEILL: Is the minister sure that standing timber is not insurable?

Mr. ILSLEY: It is not insurable under this bill.

Mr. NEILL: But logs will be?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): I am glad to have the minister's assurance that fallen timber will be insurable. With respect to the insuring of standing timber, I have investigated this on many occasions. On the one occasion on which I was able to attend the banking committee this subject matter was under discussion, and I gave the committee briefly the benefit of my experience. Many attempts have been made to insure standing timber, but the estimate of risk and hazard is so indefinite that none of the insurance companies within recent years, so far as I can recall, have ever undertaken it. I am inclined to think that the government is wise in not undertaking this class of business. If they did, the premium would be prohibitive because you would be entering a new field of insurance. So far as I know even the lumber mutuals on the Atlantic coast have never attempted anything of the kind, and they give the cheapest insurance in the world. The committee is to be commended for not having included that. The public will be glad to be assured that severed timber, either manufactured, or unmanufactured, will be insurable under this bill. The risk and hazard can always be measured by the position of the insurable object, that is, its proximity to railways and other exposures.

Mr. NEILL: The brief of the Canadian Manufacturers association refers to the fact that standing timber is not insurable, but there is this point which the minister apparently overlooked, that timber and forest fire fighting expenses can and should be covered. That is to say, a man may expend $150,000 in putting out a fire, and this brief asks that that be included in the bill. There is a distinction; they do not ask that we should insure standing timber, but they ask that we insure the cost of fighting a fire.

Mr. HANSON (York-Sunbury): I wonder if that came before the committee?

Mr. ILSLEY: The brief was filed with the secretary of the committee and was available to the members. I do not know whether they read it.

Mr. HANSON (York-Sunbury): Members of the committee are present here; I should like to know if consideration was given to that matter. After all, it is an important factor. You can always insure fire fighting equipment, but this refers to the cost of fighting a fire. Would the minister give further consideration to that?

Mr. ILSLEY: As I understand it, what is referred to is an agreement by the insurance company to indemnify the insured against the expenses of fighting a fire. That would be out of line with the rest of the bill, which is to protect corporeal property and nothing else.

Mr. HANSON (York-Sunbury): It might be a loss arising directly out of the war.

Mr. NEILL: I am waiting for information about the boats.

Mr. ILSLEY: The hon. member for Comox-Alberni raised two questions, and I dealt with one only.

The second was the matter of ships. The information which the committee obtained was that all ships on the sea, that is ships outside of inland waters, are insurable. Confirmation was obtained of that. The hon. gentleman said that certain ships which he mentioned were not insurable, but I think he is wrong about that. That is the information I have. There was some telegram from a shipping insurance broker or agent in Montreal stating that these ships were insurable.

Mr. ROWE: I agree with the leader of the opposition as to the difficulties and complications that may be involved in attempting to insure standing timber and growing crops, but I find myself also in some agreement with the hon. member for Comox-Alberni. In view of the great fire hazards of modern warfare, careful consideration should be given to insuring against the cost of forest fire fighting at least, if standing timber itself is not to be insured. The greatest risk to which our natural resources are exposed in modern warfare is forest fires, especially in British Columbia. Modern warfare creates similar hazards for growing crops, which are also excluded from insurance under clause 2. This whole clause should be reconsidered and a further effort made to provide insurance against this fire risk, which is greater in this war than ever before. Fire risks in the last war and this war are not at all comparable, for reasons that are obvious.

Growing crops, especially in the vast areas of western Canada could be very seriously damaged by fire. In peace time we have hail insurance and crop insurance, and I see no reason why insurance should not be available

for the risks which are made so much greater by our modern warfare through aeroplanes carrying incendiary bombs, by means of which vast areas of ripened grain and standing timber could be destroyed. While I appreciate the difficulty of insuring standing timber, I do think that the costs of fire fighting should be considered under this clause, as well as the insurance of growing crops.

Mr. ROSS (St. Paul's): I do not see any reason why standing timber should not be included in this bill. Some arrangement might be made with the lumbermen's association by which every lumberman of British Columbia, for example, would insure his timber at a premium commensurate with the risk. There never has been insurance for standing timber, but the hazards from fire to-day are far greater than they have ever been before, and I certainly think that those who own these tracts of timber should be entitled to have insurance to protect them. Coupled with that, the lumbermen should be forced to take proper precautions to safeguard their timber interests. Something of that kind might be worked out through the lumbermen's association.

Mr. ST. LAURENT: Just a word which may not be a valuable contribution to this discussion but may be of interest to hon. members. Hon. members have said that there has been no insurance of standing timber, but I remember that in 1910 or 1911, when the firm of Price Brothers and Company made its first issue of bonds on the London market, the bond brokers insisted that insurance be placed on the standing timber, and an insurance policy was accordingly written by a group of Lloyds underwriters. Some time after that, a small fire occurred and a claim was asserted against the underwriters. The validity of the policy was contested on the ground that there had not been sufficient representations with reference to the thing insured. Action was instituted against one Mr. Heath as a test case against the various underwriters, and a commission was sent to Canada to take evidence as to the value of the property that had been destroyed by the fire. The commissioner was George H. Montgomery, K.C., of Montreal. The commission sat in Quebec, and I appeared before the commissioner to submit the evidence. I do not know that there ever was a judgment on the merits of the case. Sir William Jowitt represented Price Brothers in London, and when the case came up for trial he suggested, and I think the suggestion was accepted, that the court should first of all pronounce upon the value of the plea against the insurance policy. There was a decision that the insurance policy was a valid policy, and following that, I think the amount payable under the policy was adjusted. I know we were informed at that time that the underwriters of Lloyds would never again have anything to do with such a policy, and I do not think insurance has been placed on standing timber since that time.

[Mr. Rowe.]

Mr. HANSON (York-Sunbury): Thank you. I dare say that is correct.

Mr. GREEN: The definition of property would be sufficiently wide to cover fishing boats on both coasts were it not for the exception contained in paragraph (j) (iii). Under that definition fishing boats on the coasts cannot be insured although fishing boats on inland waters can. The main reason given in the committee for excluding coast fishing boats was that to insure them would be entering into the marine insurance business, which was pictured as a complicated business, and it was claimed that the government should not enter into such business at this time. Yet members of the committee will notice as I have said that ships on the great lakes or on other inland waters can be insured under the provisions of the bill because they are under the proviso in subparagraph (iii) of section 2 (j). I cannot speak for the eastern coast; I leave that to members representing the maritime provinces. But on the western coast our fishermen have to go out from different ports and also fish at the mouths of our rivers. Of course they are fishing in salt water, and under present war conditions they are fishing in very dangerous areas where, should there be a Japanese raid, these boats, or some of them at any rate, would be certain to suffer damage or be destroyed. The danger has been recognized by the government in that provision has been made for pensions to be payable to the fishermen, if they should be injured, or to their dependents should the fishermen lose their lives as a result of enemy action.

This fishing on the western coast is of great importance to the war effort of the united nations, because this year all the salmon and herring pack is to go to Great Britain to provide food for the British. An announcement was made in the press on March 3 of this year, quoting the Minister of Fisheries (Mr. Michaud) as saying that we are going to make available to the United Kingdom all the canned salmon and herring that can be put up in 1942. So that many of these west coast fishermen are going out fishing for food for Great Britain.

Another feature which should be considered is that to the ordinary fisherman his boat is his all. Everything he has is tied up in his boat and gear. Within the last few months, since Japan declared war, this government has arranged for the sale to white fishermen of 800 Japanese fishing boats. These Japanese boats are now being taken out by the white fishermen and will be used with the rest of the fleet in bringing in the catch this year.

It was explained in the banking and commerce committee that at the present time it is possible to get insurance on these fishing boats by obtaining it through San Francisco, but we were told that the rate to be paid as premium is either a dollar a hundred for a year, or a dollar a hundred for every three months or for thirty days. We were not given information as to which was correct, but in any event by contrast the premium under this measure was expected to be about 15 cents a hundred. So we have this position, that if no provision is made for them these fishermen will have to pay at least a dollar a hundred to get insurance through San Francisco, and the minute there is a Japanese attack the companies will probably stop issuing policies. At best therefore it is a very poor type of protection for them.

I submit to the committee that it is most unfair not to provide protection for these men. It may be that they should not be protected by this bill, though I think they should. The government should face the difficulties and provide that fishing boats can be covered under the bill. If that is not possible, I suggest that some other method must be adopted. Mr. D'Arcy Leonard, who drew this bill, and advised the banking and commerce committee throughout, made the following statement in his report to the Minister of Finance (Mr. Ilsley), contained in paragraph 19, referring to the question whether or not ships should be covered:

> I do think however that we should canvass the possibility of making an arrangement with either the maritime shipping commission of the United States or the British war risks insurance office to make sure that cover is available at reasonable rates to Canadian hulls and on cargoes in which Canadians are interested.

It may be that this method could be adopted; that the government could make some arrangement with either of the bodies mentioned by Mr. Leonard, in order that these fishermen might get coverage at reasonable rates. Another suggestion made in the committee was that they be covered by special order in council. It was suggested that the government pass an order in council which would provide for insurance for fishing boats. I am not insisting on one method or the other being followed, but I do submit to the minister that it is of the utmost importance that some arrangement be made to cover these fishermen, and that it be made now. We should not wait until after damage has been done to a hundred or two hundred of these boats, after they have been destroyed perhaps, to take steps to enable the fishermen to get protection. They are doing a real job not only for Canada, but also for Great Britain. They are running grave risks and are certainly entitled to protection.

Mr. PERLEY: I think the point made by the hon. member for Dufferin-Simcoe (Mr. Rowe) is well taken. In subparagraph 2 of paragraph (j) it is provided that "growing crops, plants and trees" shall not be included. As this war proceeds we shall find in western Canada, while the air training scheme is in operation, that some flyer is forced from time to time to land, and there is no better place in the world in which to land than a large field. In the fall of the year when there is a growing crop a fire might easily be started which would burn the whole crop. That applies too to the stook stage. The hon. member for Dufferin-Simcoe mentioned the fact that leaflets or incendiary bombs might be dropped. We may be attacked in that way later on. The enemy may send aeroplanes and drop these things, and they might easily set fire to growing crops. The farmer should have protection. Growing crops should not be excluded. It should be possible for these men to get insurance.

Mr. MacINNIS: I was not present at the last meeting of the committee when the matter of insurance on fishing boats was discussed; unfortunately I had to attend another committee meeting. However, I wish to associate myself with the hon. member for Vancouver South (Mr. Green), in the points he has raised. I do not know to what extent these fishing boats on the west coast are insured. I can see how an enormous amount of damage might be done to fishing boats through bombing or some such enemy action if it should come about at the time of year when fishing boats are in the harbour. Last fall while in Prince Rupert I saw how close together these boats were anchored when in the harbour. A bomb or two dropped among them would create terrible havoc. The express purpose of this insurance is the replacement of assets. In view of the importance of the fishing fleet in procuring food for ourselves and for Great Britain, if such destruction took place and the boats were not insured, the government would have to

spend money in the building of new boats in order that the fishing industry might be enabled to carry on. For these reasons I wish to associate myself with the hon. member for Vancouver South in the suggestions he has made and I hope the minister will give them consideration.

Mr. POTTIER: I was not privileged to be a member of the committee on this bill. I would associate myself with the hon. members for Vancouver South and Vancouver East in regard to insurance on fishing vessels. In the last war we lost I think twenty-seven ships on the Atlantic coast, the direct result of German submarine activity. The fishing fleet was practically wiped out. Compensation for that loss was paid through the German reparations commission that went around the country holding hearings in 1924 or 1925. As a result of that loss and delay certain individuals and companies went into bankruptcy. The fishing fleet on the Atlantic coast suffered severely, and the industry felt that loss for a number of years.

I am a little confused as to why there should be insurance on ships on inland waters but not on those on the high seas or coastal waters. Apparently under this bill some arrangement is made whereby fishing vessels on the great lakes are to be covered. Why the distinction? There might be complication in paying partial loss as against total loss, which is what would happen in 90 per cent of the cases. I think we would be wise to make provision for that. I am thinking particularly of what took place in the last war, the great toll of fishing vessels and the resulting damage to the industry. I urge upon the minister that he see to it that something is done, if not by this measure then by some other procedure, as suggested by the hon. member for Vancouver South.

Mr. HAZEN: I should like to see fishing boats included in this bill. We have along the shores of the bay of Fundy, in the counties of Charlotte, Saint John and Albert, many men who make their living—not a very lucrative living—by fishing. These men usually go out from their villages in what we used to call salmon boats, which are between twenty and thirty feet long. At present they are motor-powered and usually carry a crew of two. The boats are used for salmon and lobster fishing and for tending the sardine nets. It is quite impossible from a practical point of view for these men to take out insurance. The marine rate is very high. The boats, while of no high intrinsic value, are of great value to their owners. I am not speaking of ships now but of these smaller fishing boats. It seems to me they might well be included under section 2, subparagraph (j)(iii); after the word "ships", add the words "other than fishing boats". The size of the boats could be defined—"other than fishing boats of a certain size."

We were told in the committee that it was possible to take out marine insurance on vessels. But the rates are very high, consequently it is impossible for these small fishermen to take out insurance. They should be afforded protection.

Mr. FRASER (Peterborough West): In the committee "ships" were discussed many times, I think at nearly every sitting, and although that section was passed I do not think the members were satisfied with it. I believe these fishing boats should be covered, especially if they are registered and inspected by the government inspector.

Mr. POTTIER: Those over ten tons.

Mr. FRASER (Peterborough West): Yes, they should be inspected and if they are in first-class condition they should be covered. A large number will not pass inspection and therefore will not be registered. Those of course will have to be out, but those that can be registered should be in. The bill was thoroughly discussed in the committee, but this is one point on which the committee really was not satisfied.

Mr. NEILL: The minister in answer to a question asked by myself a few minutes ago said it was his definite understanding that these boats on the Pacific coast could be insured. I presume his information is correct, but I should like to emphasize that the expression was, insured now against war risk. We know there is insurance. The hon. member for Vancouver South placed information on the record which apparently had been submitted in committee, indicating that it is almost impossible now to obtain war risk insurance on the coast; it can be obtained only through San Francisco, which might at any moment withdraw the scheme. Also the cost is enormous.

The hon. member also brought out the fact that 800 Jap boats had been seized and sold to white people. He drew a picture of the need that there is for the protection of these boats. But that is only a portion; there is the white element too. The Jap proportion is something like 14 per cent, so that apparently there would be about 1,800 boats out in the Pacific. You can imagine how enormous the loss would be in the event of enemy action. There are hardly any boats

that do not go out in the open sea beyond the three-mile limit, where they are exposed to all kinds of enemy attack.

Mention has been made that fishing boats on the great lakes can be insured. That puts the minister or the government, or the committee if you like, in rather an awkward position. The committee after due consideration accepted and allowed the government to insure boats on the great lakes where they are safe from enemy attack, or at any rate where attack is unlikely, but they will not do it for fishermen on the sea, where it is most needed. The hon. member for Broadview used what I thought extravagant language a little while ago when he said this measure was of no use and that nothing would be paid under it, but I am beginning to wonder whether that charge cannot in some sense be sustained. We are making a gesture about giving insurance, but when it comes to the point the real fishermen will not be insured. The hon. member for Shelburne-Yarmouth-Clare spoke of making it apply only to registered boats, which means boats of over ten tons. That may be all right on the Atlantic, but on the Pacific coast many of our small fishing boats, although some are worth $2,500 and up, are under ten tons burden. I do not want to suggest that there is anything sinister about this thing at all; that was the last thought I had in mind, but I do find this very inconsistent. Some of those who were members of the committee have said frankly that they were not satisfied with the decision of the committee, so that it might be a matter for further consideration, to see if the words "fishing boats" could not be included. Otherwise I should like to know who gets the benefit of the act, if it is supposed to be brought in to protect the fishermen. It seems almost like the play of Hamlet with Hamlet left out.

Mr. CHURCH: I agree with the hon. member for Vancouver South, that the poor man out at sea fishing should be given some protection, with this war on. The definition of property does not even include those mentioned under the Farmers Creditors' Arrangement Act. It covers a dwelling up to the value of $3,000, but it does not cover a ship, except on the great lakes.

This and the preceding parliaments incorporated many insurance companies, through private bills—Canadian companies, Canadian-American companies, Anglo-Canadian and British companies—to perform the very functions covered by this act. Some of the larger companies have made fortunes out of the hundreds of millions of dollars paid in premiums on life insurance, automobile insurance, marine insurance and all the other kinds of insurance now in force. They have amassed large sums of money, and in my opinion should have been required to issue these policies and function and do this very work, though at the time the charters were issued there was some question as to whether some of the powers granted were within the jurisdiction of this parliament, since insurance is a matter of concurrent jurisdiction. But the companies will not take these risks, though they collect premiums for what I might describe as insurance against plague, pestilence, famine, battle, murder and sudden death. They even insure against certain contingencies of the weather; in the case of an exhibition or a sporting event they will insure against rain, and they do that in peace and war alike.

The trouble with this parliament is that the agents of these large insurance companies have too much influence with our committees and we forget all about soldiers and their risks. I have seen representatives of insurance companies appearing before committees to which I have belonged, submitting prepared briefs and all the rest of it. After all, this is only a small bill, limited in one respect to a total for the year of only $50,000 and in another to $3,000 for dwellings; but when you consider the work being done by these poor fishermen to whom the hon. member has referred, since the companies which should carry this insurance refuse to do so, those men should be protected by this bill. The collection or production of fish food is one of the basic industries of this country, the fisheries, in peace or war. So far as the working man is concerned, his burden is heavy enough already, with all the taxes which have been piled upon him by this government. I do not see where the minister is going to get all the money to finance this proposal, which I look upon as an improvident half-baked scheme. Within the last two years we have launched upon a large unemployment insurance scheme. Now they are trying to load up that fund, though when my leader Viscount Bennett was here they had a report that the fund was not solvent. Watch what will happen. This committee has no information before it at all. We are asked to go into something which might cost a fabulous sum of money and bankrupt the country, yet we do not know anything that took place before the committee, because their meetings were private. I do not see any reason for all the secrecy being maintained. I do not know why the questions and answers and information given to the committee could not be given to parlia-

ment. The British parliament gets all that information. That is the trouble here. We talk about secrecy, yet the enemy know everything we do. They have their agents and envoys right here at times in this city and have full details of every statute we pass. I hope the government will get rid of this secrecy business, because it is not secrecy at all.

As I have told the minister I believe this is a scheme by which the insurance companies are endeavouring to escape from the discharge of their duties and transfer the responsibility to the federal government on this form of insurance. Fortunately in another part of this building we have a body which knows a great deal about insurance, and which I hope will give careful attention to this matter and bill.

I believe we should consider the ability of the government to carry all this and the solvency not only of this scheme but also of the unemployment insurance scheme and other similar matters. Here we have the government saying what premiums shall be paid and what property may be insured. This is a second government insurance scheme, and why should these private companies, which have collected so much money both before and since the beginning of this war, unload their responsibility on the government? The insurance companies have the profits of peace, and as sportsmen they should be prepared to take some of the losses of war. I tell you the country cannot afford this expenditure at the present time. While I approve the principle of the bill, I believe it should be laid over until next year, and in the meantime the government should attempt to force all kinds of these companies to fulfil the functions for which they received their charters and collected hundreds of millions of dollars in premiums.

Mr. JACKMAN: In associating myself with the remarks of the hon. member for Vancouver South, I believe that those engaged in coastal fishing should be protected under this bill. In the first place the premiums to be set by the government probably will be somewhat lower than those exacted by commercial companies, and this is as much a war-time industry as any other in the country. Secondly, and more important, I should like to point out to the minister what the situation will be if losses occur among the people engaged in fishing off our coasts, if losses occur due to war risk. Their catch now I believe is subject to the price ceiling. If it is, then the cost to the government to export that catch abroad will not be commensurate with the risk involved. It seems to me that after all it is the government's risk, and it is better that the government should give those engaged in this industry the assurance that they will be covered at a reasonable premium, perhaps not one fully commensurate with the risk but nevertheless something above the rate of 15 cents per hundred which was mentioned as the general war risk premium which might be imposed. If the coastal fishermen feel they are going to have to bear all the risk themselves, that it is not to be shouldered proportionately by the people of Canada, then if their boats are sunk or other damage is occasioned by enemy action, certainly they will not go out to bring in the fish. It is not reasonable to expect them to do so. This should be the risk of all the people of Canada. It would be better to make some provision to bring these fishermen under the bill instead of waiting until a time when the government will have to take some other action to compensate them in order to give some assurance that they will not be left to bear the whole burden themselves.

Mr. CRUICKSHANK: I should like the minister to explain why inland boats are included while coastal boats are not. There must be some explanation for it. As was pointed out by the last speaker, it is the duty of the whole of Canada to absorb a part of this risk. For the last two or three years on the Pacific coast, and I presume it has been the same on the Atlantic coast, these fishing boats have been used for patrol purposes in watching for enemy activities. We expect them to go out in infested waters to protect us, yet we do not permit them to take advantage of this insurance. I do not know whether they are covered in any other way, but certainly they should be protected. They have been organized in the province of British Columbia, as I suppose they have been on the Atlantic coast, into voluntary patrols. There must be some explanation as to why we are going to insure boats in inland waters and not allow this insurance to apply to those who are actively engaged in both fishing and patrol work on the Atlantic and Pacific coasts.

Mr. NOSEWORTHY: How does the minister justify the discrimination involved in this paragraph? My objection to the paragraph is that it is definitely discriminatory legislation. We are giving to the people in the central part of Canada and to those adjoining inland waters certain privileges which we are withholding from those on the coasts. I fail to

see how any hon. member representing a constituency on either coast can support such a proposal. It would appear that we should either leave ships entirely out of the bill or include those operating on the coasts as well as on the lakes.

Mr. CRUICKSHANK: Or amend the bill.

Mr. STIRLING: I was not a member of the banking and commerce committee, so that I have heard only one side of the question. I presume that when he was before the committee the minister expressed his views as to the way in which this matter is to be handled. As I understand it the whole object of the bill is to spread over many shoulders the risk which may be incurred by Canadian citizens; and as the danger to those who live and have their being on the two coasts is so very much greater than to those who carry on their livelihood in the centre or other parts of the interior, I cannot see why those who navigate the coastal waters—I speak particularly of the Pacific coast—should be excluded. The men who occupy those boats and carry on the industry are the very men to whom the country has turned to form a part of the fishermen's patrol. Having heard the case put forth by the hon. member for Vancouver South it seems to me that there are being excluded from the operation of the bill one class of people who will be in greater jeopardy than some others who are included in it. I shall listen with great interest to the minister's subtantiation of this course.

Mr. ILSLEY: The whole scheme of the bill is to protect property within the Dominion of Canada against damage resulting from attack, or measures taken for counter-attack. As hon. members have said, the moment one gets out of Canada and operates on the high seas, he is in an area of greater risk. It is also an area in which property may be insured at the present time through commercial channels. Marine insurance applies there. To import this class of business into inland or internal schemes of insurance would, unless we were to run grave risk with respect to the solvency of the fund, mean a considerably higher rate. It is for that reason, or a reason very much like it, that we exclude one risk to which I have referred within the dominion, namely, the risk of damage to standing trees. If we were to undertake the uncertain, perhaps very great, and possibly unascertainable liability which would be incident to placing insurance upon standing timber, we would imperil the scheme.

Ships on inland waters are covered because the risk to those ships from war is the same, or practically the same, as the risk to buildings on the shore. In other words it is an internal risk. It is a risk which we are assuming to be equal throughout the country; that is the principle underlying the bill. It is also a risk, however, as to which a certain premium can be assigned, one which we believe would be fair for that class of risk. When we go outside, on the ocean, we are going into a most difficult and uncertain field. If we were to do that we would have to have two schemes, because in my judgment it would never do to lump ocean-going vessels, whether they were ferrying or trading vessels, with inland property. We are including property on the shores at the two ends of the dominion with property in the middle of the country. But we cannot bring too much into that class of insurance. I have repeatedly said that we do not aim to go into this business for the sake of making cheaper insurance available. If they can get insurance now, let them get it now. That is the general procedure we have followed.

A case can be made for the poor fisherman in his little boat. I do not know whether there is much likelihood of danger to that class of boat. But I do know very well that a great many of the vessels fishing on the seas are not owned by poor fishermen at all; they are owned by powerful and prosperous companies, who should be asked to take out insurance and pay for it, and who can get that insurance at the present time. If we put that class of craft into the bill we will make it much more risky for the government, and we will mix two classes of risk. Further, we will upset our principle, which is a sound one—that of not bringing in persons who can get insurance at the present time.

With regard to dealing with them separately, it is probably true that if there were any considerable or serious losses to fishermen the government would have to assume some responsibility. But we can do that by order in council at any time; we can do something appropriate under the circumstances. I do not know what we will do, because no case has been made. Nothing has been gone into in that regard, and it would have to be considered very carefully before we embarked upon a marine insurance scheme. I am prepared to give consideration to the point during the summer and see whether we should do anything in advance. We shall have to do something by order in council, in other lines, as I told the house when the bill was first introduced. We shall have to make some provision for compensation for personal injuries, and that would be done by order in council. On what basis action

will be taken I cannot say at the present time, although a great deal of consideration has been given to the matter. There have not been any personal injuries to civilians in Canada due to enemy action.

Mr. CRUICKSHANK: When that is being considered, will the soldiers overseas have some consideration?

Mr. ILSLEY: Is the hon. member talking about life insurance?

Mr. CRUICKSHANK: I thought the minister referred to injury to persons just now.

Mr. ILSLEY: Oh, well; The Pension Act makes most careful provision for soldiers. Any injury incurred during or attributable to service is pensionable. Widows' pensions and dependents' pensions are also provided, as the hon. member knows. That has been worked out over many years. Certainly if we do anything for civilians it will not surpass what we do for members of the armed forces, and probably will not be nearly as generous.

Mr. CRUICKSHANK: There is no reason why it should be.

Mr. ILSLEY: No; no one advocates that. The hon. member seemed to intimate that we would be doing something for civilians which we would not do for the soldiers.

Mr. CRUICKSHANK: I am sorry the minister misunderstood me.

Mr. MacINNIS: Usually I am impressed by the logic of the Minister of Finance's arguments. He may not be able to convince the hon. member for Fraser Valley, but he is nearly always able to convince me. However, he has not been able to do that this time. He said we could not include in this measure the fishing fleets on the east and west coasts because the risk would be too great. The fact is, however, that we are embarking on this whole scheme because the risk is too great for ordinary insurance.

Mr. ILSLEY: That is not too great for others to take on.

Mr. MacINNIS: I am not so sure of that. I am thinking particularly of the fisherman who owns his own boat. There are two classes of fishermen, the man who owns his own craft and the company that owns a great number of boats. These companies are usually able to insure. As I pointed out, this is not a case of boats on the high seas. These boats work in close to shore, sometimes in what is known as inland waters. Then for a considerable portion of the year they congregate, if that is the correct term to apply to boats, in the harbours where a bomb or two could do enormous damage. The minister referred to standing timber and stated that that should be excluded from the bill, but that argument does not apply to fishing boats. If he cannot include them in the present bill, he should give consideration to providing protection in some other way.

Mr. GREEN: I should like to bring out two points in connection with the minister's reply. He emphasized the fact that this war risk insurance bill was intended only to protect property within the Dominion of Canada. In connection with the insuring of boats, I think he has in mind those boats which go out from Nova Scotia to fish on the banks of Newfoundland. What we are referring to are the boats on the west coast which fish between the mainland and Vancouver island, or off the island, or in the mouths of the different rivers. Some of the larger boats may go out to the halibut banks, but the majority of the boats fish in Canadian waters and are therefore still within Canada. The men who own and operate them are entitled to the same protection as persons who have property on shore. I urge upon the minister that he go into this matter further, that he should not just ride roughshod over our submissions. This is a very serious situation. If these boats are not insured the result may be to cut down the amount of salmon that can be shipped overseas. A fisherman on lake Manitoba or on the great lakes can insure, and I cannot see the fairness in that position.

The minister has said that he will give consideration to this question through the summer and then perhaps an order in council will be brought down. That is not very satisfactory or helpful. Damage may occur at any minute; perhaps while we are debating the Japs may strike, and it is not fair that this matter should be shelved for months. If these men are to be helped in some other way, let there be no delay. I cannot emphasize too strongly the need for prompt action on the part of the government.

Mr. NEILL: I agree with the hon. member for Vancouver East when he says that he generally has great respect for the arguments of the Minister of Finance. I agree with him also when he says that he cannot now agree with the argument presented by the minister. It rather reminds me of the clever lawyer who was making the best he could of a bad case, but with not very great success. The judge finally said to him, "Mr. Smith, what are you here for?" The lawyer, realizing that

his case was hopeless, replied, "Thirty guineas and five, my Lord, and dirt cheap at the price," and sat down.

I also see in this something of what I would term the sinister evidence of officialdom. We see this so often. When a bill is being prepared the minister says he wants certain things, but when it is being drawn up by the officials they quite often have a strong view as to the ease of carrying it out. They consider whether it is going to cause them trouble in defining what this or that may mean, and when the bill is brought down it is found to be framed along the lines of convenience of administration rather than anything else.

There have been cases on the west coast where the government stepped in and took boats from fishermen because of war needs. These boats would be worth perhaps $12,000 to $18,000, and they were taken because they were needed for patrol purposes. If anything should happen to one of those boats the owner would be paid because they have been simply chartered. These other fishermen who own their own boats have their all invested in them. They live by and on the boats. The minister talks now in very vague terms of doing something later on by order in council, but we should remember that to-day is the day of our salvation, to-morrow is something else. A fisherman who has his all in a little boat will not go out if he knows that his whole livelihood is likely to be endangered. He is not going to be comforted by the vague suggestion that perhaps something will be done by order in council.

I noted particularly two sentences used by the minister. He said that it would be bringing in too much expensive machinery or causing too great an expense and that the system, if carried out, would be "difficult, complicated and uncertain." There you have the crux of the whole thing. A moment ago I referred to the official point of view. The war is difficult, complicated and uncertain, and it is up to us to give the fishermen, both on the east and west coasts, a chance. In order to bring things to a head, I am going to move that paragraph (j) of section 2 be amended by inserting after the word "than" in line 20 the words "boats used exclusively for fishing or packing fish and." With this amendment the reservations in section 2 would not apply to fishing boats used exclusively in fishing or packing fish. This would not open the door very widely. None of these terribly complicated, uncertain and difficult things are going to happen if we take in these boats on the Pacific and Atlantic coasts. How about the boats on the great lakes? I move this amendment in order to test the feeling of the committee, and I know there is a feeling on all sides in its favour.

The CHAIRMAN: The clause as proposed to be amended would read:

(iii) ships, other than boats used exclusively for fishing or packing fish and vessels used solely—

And so forth.

Mr. ILSLEY: That amendment, if accepted, would, in the event of loss, throw upon the fund supplied by the crown, being the property of the crown, an additional burden, and it is therefore, I submit, out of order. It is not merely technically out of order; it is really out of order. If amendments of this kind can be made at the instance of anybody but the government, we have abandoned our system of control of the public funds.

Mr. NEILL: Subsection 2 of section 3 empowers the minister to determine the terms and conditions of any contract of insurance entered into under this bill. He would fix a rate for this insurance that would carry itself, as all insurance does.

Mr. ILSLEY: There is a clause which gives a certain measure of free insurance.

Mr. NEILL: But subsection 2 of section 3 says:

The minister may, subject to the provisions of this act or of any regulation, determine the terms and conditions upon which he will enter into any contract of insurance.

He will fix the premium at such a rate that the insurance will carry itself. Therefore the crown will not be out of pocket by including these people among those who can take out insurance. An insurance company always fixes the rate high enough to protect itself. No insurance company ever loses money.

Mr. ILSLEY: It would be utterly impossible for the crown to arrange the matter with any certainty. All we know is that this puts us in a position in which we are empowered at least, although it does not lead to the crown assuming liability to cover a greatly extended field. I submit that since the amendment affects the public expenditure it is out of order.

Mr. HANSON (York-Sunbury): I am not going to speak on the point of order, but notwithstanding the position which the minister has taken I suggest that he give consideration to the merits of the appeal which has been made to him.

Mr. ILSLEY: Yes, I will do that.

Mr. HANSON (York-Sunbury): That is quite another thing. I think these hon. gentlemen from the coast have made out a case,

and I also can speak on behalf of the fishermen of the bay of Fundy, on the island of Grand Manan. There are no great fishing companies on the island. Every man owns his own boat and goes out into the turbulent waters of the bay of Fundy. The mouth of the bay of Fundy is the entrance of the channel to the city of Saint John, and submarines may be lurking there now. These fishermen go to their lobster traps extending miles and miles out into the deep sea. They are entitled to some protection. I am not going to extend the argument because the minister has heard it to the full on behalf of other localities. He understands the principle, and I hope he will give consideration to the merits of the case and include these boats in the bill. The fishermen would then feel that they would have some measure of protection while pursuing their calling.

Mr. ROSS (St. Paul's): On the point of order, Mr. Chairman, the words added by the hon. member for Comox-Alberni are simply enabling; they do not compel the government to do anything. They do not say that the government has to pay out any more money. The minister, as a matter of fact, would have the right of fixing a rate which is commensurate with the risk in connection with these boats. As the amendment is only enabling, I submit that it is not out of order.

Mr. NEILL: I would also point out that subsection 3 of section 3 reads as follows:

> The minister may, in his absolute discretion, refuse to enter into a contract of insurance with any person.

There is his protection. Did you ever hear of an insurance company that lost money? If the government by this amendment were forced to take additional people into the scheme which they have already formulated, they would not lose money by it, because the minister has power under subsection 2 to determine the terms and conditions under which he will enter into any contract of insurance. The crown cannot lose money by it, because the rate will be fixed so high that the insurance will carry itself, as all insurance does.

Mr. BLACKMORE: On what ground, Mr. Chairman, did the minister submit that the amendment was out of order?

The CHAIRMAN: The point of order is that by adding several other categories to paragraph (j) of section 2 the amendment would add to the charges on the public. That is the point of order, if I understood it correctly.

Mr. ILSLEY: That is correct.

[Mr. R. B. Hanson.]

The CHAIRMAN: If any other hon. gentleman wishes to speak to the point of order, now is the time.

Mr. BLACKMORE: If the proposed change had been made by the banking and commerce committee, would it have been considered out of order?

The CHAIRMAN: That is a hypothetical question on which I cannot make a ruling.

Mr. COLDWELL: May it not be just as well argued that if you include others within the insurance scheme, you collect from them premiums and therefore are increasing the revenues of the crown? When we are dealing with all kinds of insurance, and probably will be in the future, covering different classes of people who may come under various acts and receive various benefits, paying premiums or making contributions in order to secure the benefits, it seems to me that this is a ruling which ought to be well considered by the Chair before it is given. It can be just as well argued that we may increase the revenues of the crown by adding other persons or boats from which additional premiums will be collected.

Mr. HANSON (York-Sunbury): In addition to what has been said, may I call your attention, Mr. Chairman, to the fact that the committee amended the bill by the insertion in paragraph (j) (iv) of the words "property on board any ships, other than such vessels aforesaid." This has been accepted, I understand, by the minister, and the committee on banking and commerce thus added to the burden of the crown. So that there are two sides to the story. The proposed amendment may increase the obligation of the crown, but the minister does not have to accept this insurance. On the other hand it may add to the revenues of the crown.

The CHAIRMAN: On the point of order, hon. gentlemen have spoken on the point of order raised by the hon. minister and also, particularly the leader of the opposition, on the question of expediency. The Chairman can deal only with the point of order, namely, whether the addition of a category to the cases covered by the proposed insurance scheme adds a charge on the public. It has been argued that, since subsection 3 of section 2 provides that the minister may, in his absolute discretion, refuse to enter into a contract of insurance with any person, the amendment does not necessarily entail an expenditure of money. In my opinion, however, by adding a category to those enumerated in the bill, we provide a potential

expenditure of money and a possible charge on the public. The minister shall have the power to contract with persons not provided for in the scheme as submitted by the crown. I must therefore rule the amendment out of order.

Mr. NEILL: Let us take a plebiscite on it.

Mr. BLACKMORE: If this amendment is to be ruled out of order, I believe it pretty well becomes incumbent—

The CHAIRMAN: I repeat, however, that the question of expediency is still open for discussion.

Mr. BLACKMORE: It is the question of expediency to which I wish to speak. You have already ruled it out of order. I would urge on the minister that he consider the expediency of this measure. As the bill stands at the present time, it is a rich man's bill.

Mr. ILSLEY: My dear friend, do not talk that way.

Mr. BLACKMORE: From beginning to end the bill is so framed that the great majority of the really poor people who desperately need insurance in case anything goes wrong will not get it.

Mr. ILSLEY: The only people that get free coverage are poor people. There is free coverage for all people in Canada who own property up to a certain amount. They pay no premiums, nevertheless they get protection.

Mr. BLACKMORE: Not below $50.

Mr. ILSLEY: That is a small protection against a multiplicity of little claims. I cannot help thinking about what is going on in this war in various parts of the world—Russia, China and in other areas. I am sure that complete coverage against all the risks of war is impossible. Men are getting maimed and killed and all that sort of thing, and nothing in the world can make these things up to them. This highly meticulous attempt to protect every civilian down to the last cent is something which it is impossible to carry out. Do not let us lose our sense of proportion in this matter. This is a means by which, apart from a few dollars at the lower end of the scale, we protect all poor people without any premium, and I would ask my hon. friend not to embark upon these charges, that certain legislation is rich man's legislation, without giving more consideration to his words.

Mr. BLACKMORE: It is going to be necessary, if the bill remains as it is, for me to prefer that charge and to pursue it with considerable attention.

Mr. ILSLEY: Well.

Mr. BLACKMORE: I do not propose to raise the question of the $50 limit, which of course comes up under a later clause. Meanwhile I believe that this matter of insuring small fishing boats falls within a class analogous to that of small householders to whom a $50 damage may be a calamity. If that is the case, the minister should make some provision in this bill to protect people whose little all is bound up probably in a very small fishing boat or in a very small home; for there is no obvious provision in the bill for the protection of the many thousands of poor people who constitute so large a percentage of our population. I have characterized the bill as a rich man's bill—

Mr. ILSLEY: I will let that charge go now. I shall never convince my hon. friend. Anyone who understands the bill will not say that about it.

Mr. BLACKMORE: Except the poor man, one who has been a poor man. He will understand.

Mr. ILSLEY: The senate is waiting for certain amendments to be concurred in, and I shall have to move this bill out of committee. I move that the committee rise, report progress and ask leave to sit again this day.

Progress reported.

INCOME AND CORPORATION TAX

AGREEMENT WITH PROVINCES—COMPENSATION FOR VACATING TAX FIELDS AND ARRANGEMENTS FOR SUBSIDIES—CONCURRENCE IN SENATE AMENDMENTS

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of and concurrence in amendments made by the senate to Bill No. 16, to authorize the governor in council to enter into agreements with the governments of the provinces of Canada respecting the vacation by the provinces of the personal income and corporation tax fields for the duration of the war, and Bill No. 17, to provide for the payment of additional subsidies to the maritime provinces.

He said: These amendments do not change the substance in any way. They are merely verbal. They improve the language and in one case make slightly clearer the intention of everyone. I am prepared to accept them. The amendment to Bill 17, which is the bill relating to subsidies to the maritime provinces, is that on page 2, lines 16 and 17, for the

words "of the said provinces," we substitute the words "such province." The proviso will then read:

Provided the said subsidies shall not be payable to such province while an agreement under the provisions of the Dominion-Provincial Taxation Agreement Act, 1942, remains in force with respect to such province.

The senate amendment to Bill No. 16 is as follows:

On page 2, line 41, between the words "pay" and "to" insert the words "with respect to each year of the term of the agreement".

And on page 2, line 42, between the words "receipts" and "from" insert the words "during the said year".

This makes it clearer, that the amount payable under the gasoline guarantee will be an amount related to the deficiency in each year, year by year. Otherwise the section as originally drafted might have been interpreted as meaning that the guarantee related to a longer period than a year.

Mr. HANSON (York-Sunbury): This makes the gasoline guarantee more definite?

Mr. ILSLEY: Makes it more definite; simply carries out the intention.

Mr. CHURCH: Since the minister hinted on Monday or Tuesday about increasing the income tax, an impossibility, has that been considered in connection with Bill No. 17 and allowance made accordingly to the provinces?

Mr. ILSLEY: I did not say that the income tax was going to be increased, nor did I use any words intended to give the public that idea. That is a matter as to which I naturally wish to say nothing, have said nothing and will not say anything until the budget is brought down.

Motion agreed to, amendments read the second time and concurred in.

WAR RISK INSURANCE

PROVISION FOR COMPENSATION FOR WAR DAMAGE TO PROPERTY

The house resumed consideration in committee of Bill No. 56, to make provision with respect to insurance of property against war risks and the payment of compensation for war damage—Mr. Ilsley—Mr. Vien in the chair.

On section 2—paragraph (j).

Mr. NEILL: We hear a great deal these days about equality of sacrifice. Let us apply it to this bill. If our fishermen on the Atlantic and Pacific coasts are to go out and risk their lives and all they own and hope to make a living by, without compensation, for the sake of getting fish for our own and the British market, then let us go the whole hog and make it right across. I do not see any reason why this provision should not apply on the great lakes. I therefore move to strike out subparagraph (iii) of paragraph (j) of section 2, beginning at line 20 of the bill. Then we shall all be on a common footing.

The CHAIRMAN: I must give the same ruling on this amendment. Does any hon. member desire to speak on the point of order?

Mr. HANSON (York-Sunbury): No one has raised a point of order yet.

The CHAIRMAN: The point of order is raised by the Chair.

Mr. HANSON (York-Sunbury): Would the Chairman be good enough to state the point of order?

The CHAIRMAN: The point of order is that by striking out subparagraph (iii) of subsection (j) which excludes from the bill a whole category, the amendment includes them within the application in the bill. The result, therefore, is to make the bill cover a larger enumeration of insurable property.

Mr. NEILL: This is a good illustration of what I said earlier in the afternoon, that this bill has been very sloppily drawn. Many hon. members cannot understand what it means, and I venture to suggest that even the Chairman has misinterpreted it. He says that the amendment removes from the exemption a number of classes of insurable property. I wish he would mention what classes are exempted, because these other things are the very opposite. "Ships, other than vessels used solely in docks," are exempted now, and I want to leave out the exemption so that it will not apply to them. I am relieving the government of some expenditure.

The CHAIRMAN: Paragraph (j) reads:

"Property" . . . shall not include . . .

Mr. NEILL: But the Chairman has omitted the words "other than" which turns the whole thing roundabout: "shall not include vessels other than". You exclude certain things. It is restricting the insurability.

The CHAIRMAN: Ships are excluded, but there is an exception to the exception. Ships outside of those that are in the exception to subparagraph (iii), ships generally, were excluded from the bill. By dropping subparagraph (iii) you include all ships that were excluded.

Mr. NEILL: I hope I am amenable. If the Chairman takes that view I will withdraw

the amendment and move another: leave the word "ships" in and strike out the rest of the words. That puts us all, Jew and Gentile, maritimes, great lakes and British Columbia, on a common level of degradation.

The CHAIRMAN: Will the hon. gentleman give the wording of his amendment?

Mr. NEILL: To strike out all the words after the word "ships" in line 20 down to the end of the paragraph.

The CHAIRMAN: That subparagraph (iii) of paragraph (j) be amended by striking out all the words after the word "ships" in line 20, so that subparagraph (iii) will contain only the word "ships"?

Mr. NEILL: Yes. That is in order, is it not?

The CHAIRMAN: I think it is.

Mr. HAZEN: If all those words are struck out, a great many objects are not going to be insured that otherwise would come within the bill, and I do not think we want that to happen. I understand the minister to say that he would consider the first amendment suggested by the hon. member for Comox-Alberni.

Mr. ILSLEY: No.

Mr. HAZEN: If I might offer another suggestion it would be that the words "territorial waters" be inserted in line 21 of paragraph (j) (iii) together with the words "inland waters". Then the small fishing boats in which I am interested would be protected.

Mr. POTTIER: I rather agree with the last speaker. I do not think that just because you cannot get what you happen to want you should take anything away from anyone else. It seems to me that if there is any chance at all of fishing boats getting any protection it will be because somebody else has somewhat similar protection. If we take out of this bill the road leading half way to where we want to go we abolish our only chance, and there never will be any opportunity for fishing boats to be insured. I think we should leave it as it is now, at least covering boats in inland waters, and then ask for more. Apparently we cannot get any more to-day, but I am hoping that some day we shall get this provision extended.

Mr. NEILL: If I may ask a question, did Oliver Twist get any more by asking for it?

Mr. POTTIER: Well, if we are going to follow Oliver Twist in our procedure in this house, at least he took what they gave him. I am sincere about this; if we are going to abolish what is offered here, on the principle of equality of sacrifice and "if I can't get anything, you can't get it either," I think that is all wrong. I believe we ought to leave the bill as it is and come back another time with something which will extend what is provided here. So I hope this amendment does not pass.

Mr. HANSON (York-Sunbury): I really do not think the hon. member for Comox-Alberni wants this amendment to pass in the form he suggests. He moved it out of resentment, shall I say, at the inflexibility of the minister's mind toward what he wants to get into the bill. It may be that perhaps this is the proper tactic to pursue, but really I would not want to support the present amendment. I urge upon the minister, however, that before this bill is through committee he should give consideration to insuring fishermen's boats. It would not be a great risk to assume. The amount of capital involved cannot be very great, and he could protect himself by adequate premiums. Surely there must be some yardstick with which to measure. In this bill the government are giving some protection to people of limited means in other walks of life. Can they not do it for the fishermen? I beg the minister to do this. I do not agree with the hon. member for Lethbridge that this is a rich man's bill. It is a moderate attempt to do something for all classes who may be affected by war risk. In their study of this bill hon. gentlemen have discovered that fishermen are left out, and they are making a case for the fishermen. I think they have made a good case, and I do not believe the minister has yet dealt with the concrete proposal in an adequate way. It is true that he has made the general statement that this is an experimental piece of business, and all that sort of thing, but I suggest that he become a little more realistic and give effect to what has been asked by hon. members with respect to fishermen, who need this protection.

The fishermen at the mouth of the bay of Fundy need this protection. The fishermen of the constituency of the hon. member for Shelburne-Yarmouth-Clare need it. I know the fishermen in the bay of Fundy take their large boats and go away down the bay, miles away from land. These have to be good, staunch, sturdy boats. I have watched them on the inland waters of the Pacific coast. They are a pretty substantial investment. These fishing boats are not always paid for. They represent the whole stake of the fishermen. Give them a little protection. I plead with the minister that he do that, and I think he ought to do it.

Mr. JACKMAN: Is there not a sound ground for distinction between ocean-going shipping and these deep-sea fishing boats, inasmuch as ocean-going ships can set their freight rates according to the risk involved and according to the premiums they have to pay? In other words, ocean freights are not governed by the price-ceiling regulations of our country; and though I am not yet sure of the fact, I believe the catch of the coastal fishermen is subject to the price ceiling. If insurance rates for protection against war damage rise substantially, then it will become impossible for the fishermen to operate. If they do suffer loss and are unable to replace their boats or recoup themselves financially, they cannot be expected to go out and fish. The government want to see the greatest possible amount of fish caught by the deep-sea fishermen, because we have the canneries available and we are exporting as much of this fish as possible. Therefore the government will certainly find itself in the position of having to keep this industry going if it does suffer from enemy action. In other words, to use the vernacular, the baby is on the doorstep of the government, and the question is how they intend to provide for it. They can either bring the coastal fishermen under the bill or wait until some of them are blitzed. Then the government will have to take measures to replace the ships in order to get the raw material for our canneries and carry on our war effort.

Mr. STIRLING: I am interested in what the minister has to say to the suggestion of the hon. member for St. John-Albert that the words "territorial waters" be included. In the case of British Columbia I think I am right in saying that if you drew a line from the west coast of the Queen Charlotte islands outside Vancouver island to the mouth of the strait of Juan de Fuca, you would include therein practically all the commercial fishing that is done.

Mr. MAYHEW: I should like to add my voice in support of the arguments that have been advanced here on behalf of the fishermen. In presenting this bill the minister said that it was for the purpose of insuring those who were unable to get insurance at the present time. In the case of the fishermen, they can get insurance; but the rate is so high as to be practically prohibitive, running from 12 to 30 per cent a year. That is not insurance at all, and I think if it is at all possible they should be included, and included now. Some hon. members said a little while ago that this measure could be held over for the summer. We are in hopes that before the year is passed there will not be any necessity for any such insurance. It is very important that the fishermen go out now in as large numbers as possible, and with as little worry as possible about what is going to happen. On these men to a large extent depends the procuring of food for our own people and people overseas, and we should give these fishermen every encouragement. The matter should not be left dragging for months, just when we are in the real fishing season, particularly on the Pacific coast.

I urge the minister to consider what has been said, and to have an amendment brought in which would include the fishermen. Most of them do not go outside certain areas. Some of them go as far as Seattle, but they do not operate a general commercial business. They simply catch their haul of fish, bring it to the market, go out and get another haul and repeat the performance. There is not the same complication connected with the insuring of a fisherman's boat as there is with the insuring of a merchant vessel. I plead with the minister to give this matter his sympathetic and favourable consideration.

Mr. McGARRY: I should like to associate myself with the leader of the opposition in advocating the extension of this insurance scheme to the fishermen. As the last speaker has pointed out, the fisherman is one of our most important producers. In many instances the loss of a boat through enemy action means the loss of everything, as regards producing not only for the war effort but for the maintenance of the fisherman's own domestic needs. I would plead with the minister to give this matter serious consideration, and have this insurance scheme applied to the fishermen.

Mr. ILSLEY: If the committee is in great earnest about this matter we shall have practically to redraft the bill, because it is impossible to incorporate in it the suggestion which has been made. If it were done we would have only a very bad product. It seems to me that if the fishermen's boats were destroyed by enemy action, the normal procedure would be for the government to compensate them in some way. If we try to graft a scheme like this onto this bill, there will be some limited free coverage which may not be at all adequate. Certainly the bill has not been prepared in a manner which contemplates compensation of that kind. Payment for chattels has relation to chattels of a householder, and whether that could be made to apply to a boat, I cannot say. I do not think it would be applicable.

I do not believe hon. members have considered what would be involved in incorporating in this bill what has been suggested. If it is desired by hon. members to give the fisherman no compensation unless he pays a premium, the bill could be drafted along that line. But I do not think hon. members really realize what they are asking. On the ocean we find large and small ships, some of which are operated by prosperous shipping companies which carry insurance on those ships, and some of which are not. Before we enter into the insuring of ocean boats I think we had better depart to another measure, instead of following this one.

Hon. members may find that by amending this bill they will hurt rather than help the fishermen.

Mr. GREEN: The minister has spoken about free coverage. Does he mean the $200 referred to in section 8?

Mr. ILSLEY: Yes, and the $800 in the case of a householder.

Mr. GREEN: That would not cover a fishing boat, would it?

Mr. ILSLEY: I do not know. I thought hon. members wanted that scale to apply. It may not be applicable at all. It was not considered as being applicable because this is a scheme which is to apply to land. We cannot insure everybody under this measure. We cannot, for instance, insure the civilian against personal injury, and this scheme is adapted to a class of risk altogether different from marine risks.

The government must be trusted to a certain extent to assume its responsibilities in regard to these matters. This is a plan under which we hope to operate a solvent and successful insurance scheme, and it has been demanded by people throughout the dominion. We hope to receive premiums from persons in the interior, and we are spreading the risk over. But it is a scheme adapted and worked out to apply to property in Canada, not on the ocean—whether we refer to small or large boats.

Just to pour these fishing boats into the measure must not be done without first giving the matter a great deal of consideration, and I would ask the committee to leave it to the government to meet the situation in a different way.

Mr. HANSON (Skeena): I wish to associate myself with the hon. member for Victoria, British Columbia, who has suggested to the minister that some consideration be given to the fishermen.

Mr. HANSON (York-Sunbury): The hon. member is about two hours late; the suggestion was first made by the hon. member for Vancouver South.

Mr. HANSON (Skeena): What arrangements have been made in the United States with respect to their fishing fleet? We have been asked to produce food, and I learn from the press that the United States government has suggested that the halibut fishing fleet, which operates on the deep sea, should try to conduct its operations within a specified time, because of disruption on the Pacific coast.

I feel justified in asking for some consideration for our Canadian fishermen. I believe they should be allowed to insure against war risk, if they pay a premium. Before excluding the fishermen I suggest that the minister give the matter careful consideration. Our fishing fleet is absolutely necessary in the production of foodstuffs, and should be given consideration equal to those established inland.

Mr. HANSON (York-Sunbury): I do not appreciate the difficulty the minister has attempted to describe to the committee. We are insuring certain classes of ships in certain circumstances. All we now ask is that fishing boats in territorial waters be included. There is a principle involved, and to envelop that principle within the four walls of this measure would not seem to present any tremendous difficulty. If there are diffiiculties, then may I point out that the minister has plenty of competent help to do the work. Perhaps before the bill goes through committee he might refer it to his officials to see what can be done.

I do not believe the minister is actually opposing the principle involved in the application of this measure to fishermen. What he is trying to show is that it would complicate the mechanism of the measure. I should not think that that should stand in the way. Section 4 reads:

> The minister may, under this act, establish one or more schemes of insurance as he sees fit.

If that will complicate the drafting of the bill, could the minister not give an undertaking that he will set up a scheme for free insurance or some other type of insurance of fishermen's boats? The nation will be ready to bear the cost of anything like that.

Mr. ILSLEY: The Minister of Fisheries tells me that if one of these boats is sunk by enemy action, the owner would be compensated in full out of enemy property, to the extent that we may have enemy property in our hands.

Mr. HANSON (York-Sunbury): I do not know that that is true and I should like to have the citation. In the last war applications were made to the dominion for payments out of that fund, and these men might have to wait ten years before they would receive recompense. There was one celebrated case in the last war which I think is known to all, and hundreds of cases flash through one's mind. I know of one bona fide case which took years to get settled. The government of the day and the succeeding government of my right hon. friend, the Prime Minister, had a reparations officer working for years on these claims. If the fishermen are to have to wait for that, we may as well wipe the suggestion off the slate.

Mr. NOSEWORTHY: I cannot see the danger which the minister seems to see in including these fishermen's boats in this bill. I cannot see the difference between a boat that operates within the coastal waters in a Canadian port and a ferry operating within a harbour from point to point. I do not see why we could not accept this greater risk at the same premium. I take it that we are ready to insure factories in Halifax or Vancouver at the same rate as factories in the inland towns or villages, and it seems to me that we have just as much right to insure boats that operate in territorial waters from a Canadian port as we have to insure one that operates on lake Ontario or in the river St. Lawrence. I cannot see why we should discriminate or where, by including these fishing craft, we are throwing such a great burden upon the country. We will insure a ferry that operates between points in the harbour of Halifax or the harbour of Vancouver, but we will not insure a fisherman's boat that goes two miles off the coast. The fisherman may be running a greater risk, but he is doing that for all the people of Canada and all the people of the empire. The people of Canada and the people of the empire have a right to help bear the cost of that greater risk.

Mr. HANSON (Skeena): I should like to have an answer to my question about the insuring of deep-sea fishermen's boats.

Mr. ILSLEY: My information is that the scheme in that connection is not completed. It does not cover their fishing fleets so far, but whether it will eventually, I do not know.

Mr. HANSON (York-Sunbury): I am afraid my suggestion with respect to section 4 is not a good one. As I now understand that section the minister could not establish any scheme outside the powers conferred upon him by the bill. Consequently I shall have to withdraw my previous suggestion. I am going to ask the minister to give consideration to this matter. It is the will of the people as represented here. There has not been anyone who has said anything against it, and surely the minister ought to give effect to this if it is humanly possible.

Mr. GRAYDON: I come from central Canada and therefore have no direct connection with the industry under consideration, but I should like to refer to two matters which were emphasized by the minister. The first was the question of the solvency of this fund. I think it must be said in all fairness that it would be difficult to place the fund upon a definite actuarial basis, having in mind the fact, as was discussed during the second reading of the bill, that this is an experimental bill. We have never before had the need in Canada of a comprehensive scheme of this kind. When the minister talks about solvency I presume he means that the scheme must be actuarially sound in principle. I am quite certain that the inclusion of these fishermen could not be regarded as interfering with the general soundness of the principle from an actuarial point of view, and I think the minister's argument with respect to that falls to the ground.

If this war risk insurance is to be a plan whereby people are to be compensated when they cannot possibly get insurance through the ordinary channels, then surely the fishermen of the maritimes and the Pacific coast should be included. I was not impressed with the minister's argument with respect to reparations. To my knowledge there is no type of war damage that is not covered by reparations if you can get reparations. But it seems to me that by the time a claim was paid, the fisherman's estate would be collecting rather than the fisherman. Coming from central Canada I should like to add my voice to those which have been heard already with respect to this point.

Mr. CHURCH: The whole bill will make a good fishing story for some anglers' meeting.

Mr. McNEVIN: I believe the people of Canada are most anxious to give every possible protection to the fishermen and their boats, but an insurance expert who appeared before the banking and commerce committee made it abundantly clear that the provisions of this bill were not suitable to take care properly of the risks involved in insuring these fishermen's boats. For that reason I would hesitate to support the amendment because I believe that the gentleman who appeared before the committee knows more about the intricacies of insurance law and

the general set-up than perhaps any hon. member of this committee. I think we should be guided by his advice in the matter. If he has made it abundantly clear that this bill could not properly take care of the situation, that it should be taken care of in some other way, then it seems to me that that should settle the matter.

Mr. HAZEN: He did not make it abundantly clear to me. He did not deal with fishermen's boats at all; he dealt with ships that go out on the high seas. Those ships are run by the fishing companies, and I take exception to the statement of the hon. member that the insurance expert dealt with fishermen's boats.

Mr. McNEVIN: The whole matter was fully discussed in committee.

THE ROYAL ASSENT

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

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

Accordingly, the house went up to the Senate.

And having returned.

Mr. SPEAKER informed the house that the deputy of His Excellency the Governor-General had been pleased to give in His Majesty's name royal assent to the following bills:

An act to repeal the Petroleum and Naphtha Inspection Act.

An act respecting the appointment of auditors for national railways.

An act to authorize an agreement between His Majesty the King and the corporation of the city of Ottawa.

An act respecting the Toronto harbour commissioners.

An act to authorize the governor in council to enter into agreements with the governments of the provinces of Canada respecting the vacation by the provinces of personal income and corporation tax fields for the duration of the war.

An act to provide for the payment of additional subsidies to the maritime provinces.

An act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1943.

WAR RISK INSURANCE

PROVISION FOR COMPENSATION FOR WAR DAMAGE TO PROPERTY

The house resumed consideration in committee of Bill No. 56, to make provision with respect to insurance of property against war risks and the payment of compensation for war damage—Mr. Ilsley—Mr. Vien in the Chair.

Mr. ILSLEY: I shall have to move that the committee rise and report progress and ask leave to sit again. I shall not be able to go on again with this bill to-night.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, May 21, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

Hon. J. T. THORSON (Minister of National War Services): When I was before the committee last on May 18 I stated that I wished to deal with certain observations which the leader of the opposition had made with regard to the regulations, when he spoke on March 25. He voiced certain criticisms of the regulations, and at that time I indicated that any constructive suggestions would be cordially welcomed. A week ago Monday I indicated that I did not wish to deal, in the absence of the leader of the opposition, with the subjects that he had raised. There are one or two observations that I should like to make with regard to the criticisms which he made.

The first one with which I shall deal has to do with the reserve army. The first suggestion made by the leader of the opposition appears at the bottom of page 1638 of *Hansard*. He said:

That men of the trainee ages who were on the strength of a reserve unit on August 15, 1940, have not been made liable for service in Canada for the duration if they have been attending parades of their reserve units.

Then he went on to say:

I understand—the minister may correct me—that this position is still recognized; and if this excuse still obtains, the position should be changed. It is not good enough.

To a certain extent I agree with the leader of the opposition in the observations he has made. There are certain anomalies existing with regard to the particular regulation that is involved. The subject is dealt with by section 13 of the regulations. This section provides in effect that members in good standing of the reserve units who would otherwise be subject to the regulations are not called out by the divisional registrars unless or until the representative of the district officer com-

manding reports that they are not performing their training in a manner satisfactory to the military authorities. The section in the regulations was enacted with the knowledge and approval of the Department of National Defence, and it has been retained in the regulations in order to enable the Department of National War Services to call out for training and service for the duration of the war men who, although discharged from the air force or the navy because of higher medical standards, are medically fit for the army. Consideration is being given to the question of how best to deal with the men who are at present in the reserve army and therefore excused, while their training is satisfactory in the reserve army, from call under the regulations. It has been suggested that these men should be pooled with other men in the callable ages and made subject to call in the ordinary way. I assure my hon. friend that the subject is under review at the present time between the Department of National Defence and the Department of National War Services.

Mr. HANSON (York-Sunbury): The minister agrees that the position is unsatisfactory.

Mr. THORSON: I indicated that at the outset. There exist at present some anomalies and some inequities which I think are capable of adjustment.

The next subject to which the leader of the opposition referred is that of university and college students—section 17 of the regulations. This section also I think calls for revision. There are a number of subsections in section 17 which are no longer really applicable; that is, they are spent subsections, because they were enacted to meet a situation that no longer exists. Several of the subsections of section 17 relate to the state of affairs that was in existence when men were called up for only thirty days. May I say, however, with regard to section 17 generally that this section of the regulations was the result of a conference with the universities held on February 24, 1941, and there were also very full discussions with the Department of National Defence. The general basis for section 17 of the regulations is that there is a need for educated men. At present the government has found it necessary to make financial provision for certain kinds of students, namely, medical students. There is also a growing need of chemists and engineers both for army purposes and for war industries. With regard to students of that type it may become necessary to make some special provision, similar in principle to the arrangements that were made in respect of medical students.

The whole subject of students was discussed at the conference of chairmen and registrars of the various administrative divisions, held on April 23, 24, and 25, at which it was recognized that the regulations with regard to students should be revised. At that time it was suggested that the whole subject should be studied, and a further conference held with the universities and the departments having a special interest in students, which conference was held here in Ottawa on May 11. At that time it was indicated by the various departments, such as the Department of Labour, the national research council, the Department of Munitions and Supply and the departments of defence, army, navy and air, what their requirements likely would be in the matter of graduates from the universities. At this conference the universities were represented, together with the three defence departments,, the Department of Munitions and Supply, the Department of Labour, the bureau of wartime technical personnel, the national research council, and others. All had their representatives there. The director of national selective service was likewise in attendance. I think I may assure the committee that the regulations will be revised in the light of the existing situation.

Mr. HANSON (York-Sunbury): With respect to points 1 and 2 that I mentioned, what department takes the initiative? Is it my hon. friend's department, or the Department of National Defence?

Mr. THORSON: The chairman of the conference I mentioned was my associate deputy minister, Major-General LaFleche, and the Department of National War Services will take the initiative in the matter.

I indicated earlier in the course of my appearance before the committee that I intended to strike a departmental committee to revise the regulations from start to finish. I invited suggestions from members of the house as to how the regulations could be amended in order to make them more workable and better adapted to the purposes for which they were devised. I propose to set up this departmental committee immediately after this debate is concluded and place before it the observations made at the general conference of chairmen and registrars of the divisions; the representations made at the conference of university heads and departments which I mentioned a moment ago, and the various observations made by members of parliament during the course of this debate.

Mr. HANSON (York-Sunbury): Before the minister leaves that feature of it—

Mr. THORSON: I have not finished with it yet.

Mr. HANSON (York-Sunbury): —I should like to say a word on the revision of the regulations, if the minister will pardon me. When the Military Service Act of 1917 was brought down, the plan, the *modus operandi*, the method by which the draft was to take place, was submitted to parliament, where it underwent thorough revision by the representatives of the people. Does the minister not think that is the democratic way in which this should be done? I suggest to him that the methods by which men shall be drafted into the army under a compulsory system, such as is now in force in this country to a limited degree, could and should be brought into the House of Commons, where the representatives of the people could have something to say about these regulations; how they shall be prepared; how they shall be put into effect, and be given a chance to criticize their operation.

What happens now? A departmental committee, as the minister has indicated, drafts a regulation, which is adopted by order in council and becomes an accomplished fact before we know anything about it. Take this vexed question of farmers' sons. Under the regulations as adopted by order in council, until a comparatively recent date it was impossible to get anything in the way of exemption for a farmer's son.

Mr. THORSON: Oh, no.

Mr. HANSON (York-Sunbury): I used the word "exemption" advisedly. It was possible to get a postponement for a limited period of time, and perhaps several postponements, but anything in the nature of a complete exemption was impossible. I illustrate that by the case of a young man who was an only son, whose father had died, who was milking thirty cows, and who was called up in the draft. That was in the days of the thirty-day training period. He and his mother came to see me. I explained that he could get a postponement and probably a certain number of postponements, but that he could not get indefinite postponement. I advised him, if he could possibly hire anyone to do the work, to take his thirty-day training in the winter season rather than depend on getting further postponements later on. He took his training. I do not know whether he has been called up again, but that is the case of a boy who was producing food of high quality and value. If he had been called up under the present draft system, his mother would have had to simply fold up; she could not possibly carry on. That was one of the iniquities of a system adopted secretly by order in council, without the representatives of the people having a single word to say about it.

That system is wrong. Any regulations having to do with the drafting of men ought to be brought by the administration to parliament. Let parliament take the responsibility; let parliament pass upon such regulations. The whole theory of doing these things by order in council is wrong. I put myself in the judgment of members of this house if I am not right in that statement, and whether in their secret hearts they will not support me in that position. I am sure I am right about this. I am as anxious to see a complete, all-out war effort as any man in this house, and I have been consistent in that regard right along. But I realize that we cannot take every man for the army. Every man should go to his place, and his place is conditioned by circumstances. But to say that a group of officers or officials here in Ottawa can sit round a table and frame a system of regulations, and that we cannot do that here in this house—well, it is just common nonsense; that is all. More than that, there is a great principle at stake here. The drafting of men for military service is a very important operation, which ought not to be left in the hands of a group of officials who are not responsible to the people. That is a sound principle I am laying down. It must and should be done in a democratic country like Canada under a system whereby these regulations before they become law shall be drafted as the basis of discussion, and brought before parliament.

What happened in 1917? They were brought before parliament in that year; and if hon. members will look at *Hansard* for those days they will see that those regulations were debated and revised and improved, and that many valuable suggestions came from the membership of the House of Commons before the regulations were finally put into operation. That is the course I ask this government to pursue, not only in the revision of regulations, as they stand to-day, but in any future regulations which may be enacted as the result of legislation at present pending before this house.

I put it up to the House of Commons to-night, that this drafting of regulations for the conscription of man-power by the government of this country—and we have conscription by this government; not quite full yet, but that will come—should be done by a democratic body, like the House of Commons, and should not be done in the secrecy either

of a caucus or of cabinet council. I defy anybody successfully to combat that theory. So far as I am concerned I want these regulations, before they have the force of law, to be submitted to the House of Commons for discussion; and we will look into them, even if it takes the whole summer to do it. We will very soon see that something like justice is done to all classes in the community, and that there will be equality in service, so far as manpower is concerned. I do not think we can get the same measure of equality if this sort of thing is done secretly by order in council; and I object to such a method.

Mr. COLDWELL: I should like to support the leader of the opposition in what he has just said. The last time the minister was before the committee we had a very long discussion regarding the regulations, and an interpretation of the Prime Minister's remarks, I believe of March 24, and of the order in council of March 21. Since then I have gone over *Hansard* very carefully, and I must confess I am at a loss to understand exactly what the position is, and what these regulations mean.

I am more confused because the hon. member for Témiscouata (Mr. Pouliot) speaking in French in this chamber, and therefore not followed by some of us who have only a slight knowledge of the French language, stated that he had with him what he called a communique given by the minister on April 17; and at that time the hon. member quoted from the French text. The translation appears at page 2506 of *Hansard,* and I should like to place it on record. It is as follows:

> When the applicant has shown that he is a person wholly or mainly employed in agriculture within the meaning of the amended regulations, it is mandatory upon the board, subject to the exceptions hereinafter mentioned, to grant the postponement order. Furthermore, the postponement order is until further notice and it constitutes an allocation of the applicant to agriculture rather than to military service.

Mr. STIRLING: Who signed that?

Mr. COLDWELL: The hon. member for Témiscouata said that he was quoting from a communique issued by the minister on April 17.

Mr. MacNICOL: The Minister of National War Services?

Mr. COLDWELL: Yes. I shall ask the minister in a moment or two to put that communique in English on *Hansard.*

Mr. THORSON: It is on *Hansard,* in full.

Mr. COLDWELL: At what page, may I ask?

[Mr. R. B. Hanson.]

Mr. THORSON: The first day I appeared before the committee.

Mr. COLDWELL: I was not able to find it, and I read *Hansard* carefully.

Mr. THORSON: May 11.

Mr. HANSON (York-Sunbury): That was not the first day.

Mr. COLDWELL: In any event, it escaped my notice. I read *Hansard* fairly carefully, and I certainly read the debates of the day to which I have reference, May 18.

Mr. THORSON: I would refer the hon. member to page 2306.

Mr. COLDWELL: I shall look it up later. I say, however, that it is at variance with the practice which has been followed in other parts of Canada, particularly in Saskatchewan. I gave the minister the other day the facts concerning a case about which I knew nothing more than had been told to me—and which, if wrong, makes no difference to the argument. This was the case of a young man farming his own piece of land. His father was ill, and the young man was assisting his father to farm that land, with the stock thereon. He, like the young man the leader of the opposition advised, took his thirty days of training a year ago last January. He has been recalled, has applied for postponement, and has been refused. That, I suggest, is the practice that is being largely followed in Saskatchewan.

The view the minister gave the house the other afternoon certainly was that if a young man were wholly engaged in agriculture—like the young man to whom the leader of the opposition referred, and the one to whom I have just referred—it was mandatory that he be excused from military service. I think all hon. members in the chamber, with very few exceptions, agree that if we are going to have selective service—and I want selective service of more than man-power; I want selective service of industry and wealth as well—it should be on a basis which is just, fair and reasonable. As at present carried out it is none of these things.

I remember very well taking up cases of a different type during the winter with the minister, and hearing the deputy minister say during a discussion as to what seemed to be reasonable, "The military authorities won't allow this; they won't agree to it." I said to the minister at the time, "Who is governing this country, the elected government or the military authorities?" In war time we have to give the military authorities a great deal of power; they ought to have it—but not power of this sort. The decision as to

whether we are going to compel men to surrender their lives or their property in the interests of this dominion and of our war effort with the united nations is not the responsibility of the military authorities; it is the responsibility of this parliament. And I agree that under no circumstances should the government take unto itself powers that ought to lie in this chamber.

When we are dealing with the futures of the young men of this nation, this is the place where the decision should be taken, to the very last degree. I want to try, if I can, to understand exactly what these regulations are. If I may say so, in kindness to the minister, I wish he would give us a short and pithy statement. Let him tell us what he means, in a few words; because a long speech with all the "ands" and "ifs" and considerations—

Mr. MacNICOL: And the repetitions.

Mr. COLDWELL: Yes, the repetitions—is confusing.

Mr. HANSON (York-Sunbury): And the limitations.

Mr. COLDWELL: There is a difficulty I find sometimes in following the arguments of a man with a long legal training—

Mr. THORSON: And with a regard for precision.

Mr. COLDWELL: —and the minister is a lawyer with a high reputation. It has struck me sometimes that in the teaching of law it is perhaps necessary to give both aspects of a question to such an extent that in an endeavour to balance up the two sides the teacher cannot arrive at a decision as to what he really means himself. I ask the Minister of National War Services to depart from the position of teacher of law and to give us a clear and pithy statement as to exactly what these regulations mean in relation to the matters to which the leader of the opposition and I have referred.

Mr. THORSON: For three whole days I have endeavoured to make a brief statement about the regulations. I get up to a certain point, and then speeches, much longer than any I have made, are made on both sides of the chamber. The discussion wanders off—I say that with respect—into individual cases where only one person knows the facts. I do not know the facts, and therefore I am not able to deal with a particular case. As I have pointed out again and again, these individual cases must be dealt with in the light of all the facts relating to them.

Mr. COLDWELL: Treat them as hypothetical cases.

Mr. THORSON: There is no such thing as a hypothetical case.

Mr. COLDWELL: Coming from a lawyer that is interesting.

Mr. THORSON: It is all very well to speak of lawyers, but I have a regard for precision and I will not attempt to make a synopsis of lengthy regulations and condense them into one or two sentences, because it cannot be done. The cases that come before the boards are based on certain facts. We have set up a system of judicial boards, thirteen in number, each one of which is headed by a superior court judge or a judge of another court in the province where the major portion of the administrative division is located in order to deal with the facts of particular cases. They consider applications for postponement that are made and deal with the facts of particular cases. Without having a knowledge of the facts I am not going to attempt to set myself up in judgment against the boards. I think it is a great pity that so much of the time of the committee has been taken up with the discussion of individual cases where the only person who has any knowledge of the facts is the person putting forward the individual case. The facts in one case may be quite different from the facts in another and may result in a different determination by the judicial board which has been set up for the purpose of dealing with the facts of each case. I commenced this evening to attempt to deal with students, and I am entirely in the hands of the committee as to whether I shall go on with students or go back to farmers.

Mr. HANSON (York-Sunbury): I think we had better go on with students.

Mr. THORSON: I think we had better go on with students. I spent practically two whole days, Monday, May 11, and Monday, May 18, in dealing with persons who are wholly or mainly employed in agriculture. The press release to which my hon. friend has referred was set out in full in *Hansard* of Monday, May 11. I think it sets out with precision the policy of the government with regard to persons wholly or mainly employed in agriculture.

Mr. COLDWELL: I am sorry that I overlooked that. May I ask if it has been sent out to the boards?

Mr. THORSON: This was sent out to all members of parliament and to every administrative board. Furthermore, it was the subject of a full and complete discussion at the conference of chairmen and registrars of the various boards and administrative divisions.

Mr. COLDWELL: Is the minister sure that all the chairmen of the boards understood what it meant?

Mr. THORSON: How am I to answer that question?

Mr. NICHOLSON: Did it result in any change of policy in the different divisions?

Mr. THORSON: I think when the returns for the first and second calls, in respect of which the change in policy was applicable, are received, there will be a clear demonstration of that.

Mr. FLEMING: Would the minister permit a question?

Mr. THORSON: I intend to continue with the subject of students, the matter which I set out to deal with this evening. Some question was raised by the leader of the opposition as to whether students could escape from military training. A number of points have been dealt with by him, as will appear on page 1638 of *Hansard*. In order to come within the provisions of section 17 of the regulations a student must be a member in good standing of a Canadian officers training corps unit in his university, or be a member of an auxiliary training unit in the university. I may say that this arrangement which permits a student to be excused from military training has the approval of the Department of National Defence.

Mr. HANSON (York-Sunbury): Must they be full-time students?

Mr. THORSON: May I deal later on with the question of full-time students? That was the second point dealt with. The regulations dealing with the Canadian officers training corps are regulations of the Department of National Defence. The student should be a successful student. If he complies with the conditions he gets a postponement of his military training. May I deal briefly with the other point raised by the leader of the opposition?

Mr. STIRLING: Before leaving that point would the minister mind dealing with the last words of section 17?—because they seem to me to leave a possible loophole through which students who have lived up to the other conditions may still be called. This section provides that unless and until other men of the same age class who were called for and who carried out the period of thirty days training ordained in the same proclamation are called for such longer period, and so on. Many of these men have been called up and I should like to know if university students have been called up also.

[Mr. Thorson.]

Mr. THORSON: If they are in the same class as other thirty-day men. Not all the thirty-day men have been called yet.

Mr. STIRLING: Not all, but in certain classes they have been called.

Mr. THORSON: With regard to the thirty-day men, persons who did their thirty days training are called up in the name of the Department of National Defence, and for the Department of National Defence, because they are all members of the reserve army. We call them up only upon requisition by the Department of National Defence.

Mr. STIRLING: University students were called up by age classes, were they not?

Mr. THORSON: Yes; we are calling them up at present by age groups in the various divisions and in accordance with the requisition relating to the thirty-day men that comes to our department from the Department of National Defence.

Mr. HANSON (York-Sunbury): That is re-calling the thirty-day men?

Mr. THORSON: Yes.

Mr. HANSON (York-Sunbury): In other words, the minister would say that after they finished their thirty-day training they go to the reserve, and they are then within the jurisdiction of the Department of National Defence?

Mr. THORSON: Right.

Mr. HANSON (York-Sunbury): And the minister's department is merely an agent.

Mr. THORSON: Right, and the subject that is under discussion is whether that system should continue—

Mr. HANSON (York-Sunbury): There is the loophole.

Mr. THORSON: —or whether the thirty-day men should not be pooled with all the other men in the same age group and remain subject to our regulations *de novo*, disregarding their thirty-day period of training altogether. The whole subject is under consideration between the two departments.

Mr. HANSON (York-Sunbury): What is the minister's opinion?

Mr. THORSON: I think there is a good deal to be said for pooling the thirty-day men with all the other men in the same age group and subjecting them to call under the regulations whether they have done their thirty days training or not. That is my own view.

Mr. STIRLING: So presumably none of these thirty-day students have been called up?

Mr. THORSON: I cannot say whether any of the thirty-day students have been called up or not. Many of them, I have no doubt, have been called up, but I cannot answer that question specifically.

The leader of the opposition referred to another subject of importance, and that is those persons whom he described, I think, as part-time students.

Mr. HANSON (York-Sunbury): Partial or post-graduate students.

Mr. THORSON: Yes, or persons taking evening courses. That question is one which, in our opinion, requires a certain amount of revision, but there again may I point out that membership in the Canadian officers training corps is in accordance with national defence regulations, and it is a matter for the officer commanding the Canadian officers training corps pursuant to the regulations to indicate who may become members of the Canadian officers training corps. It would, therefore, be a matter to be discussed with the Department of National Defence whether any post-graduate students should be allowed to be members of the Canadian officers training corps and therefore, under the provisions of section 17 of the regulations, be excused from compulsory military training. It would also be necessary to deal with the subject of part-time students on the same basis. I would not wish to say categorically that no post-graduate student should be allowed to be a member of a Canadian officers training corps unit in his university, nor would I be willing to say categorically that no part-time student should be allowed to become a member of the Canadian officers training corps. I think it should be possible to have regulations of such a nature that no one could use them for the purpose of evading a call for military training.

Mr. HANSON (York-Sunbury): That is exactly the point.

Mr. THORSON: I thought that was what the leader of the opposition had in mind, and in that I am entirely at one with him. I think that out of the conferences I have mentioned we shall be able to deal with this subject, which is by no means easy, in a manner which will commend itself generally to members of the house and to the country.

Mr. HANSON (York-Sunbury): Does the minister not think that the dual position has operated to bring about this situation where there may have been evasions? It appears to me that these men are under two authorities. Men in the Canadian officers training corps, whether they be partial or full undergraduates, once they are taken on the strength come under the Department of National Defence and cannot be called up. I will not say that they shield themselves, because I do not mean to intimate anything improper, but once they are taken into the Canadian officers training corps they cannot be called up, and therefore they evade the military service which other young men who are not students have to go through.

Mr. THORSON: The point is this. I indicated at the very outset what the relationship of the Department of National War Services was to the Department of National Defence. We are an agent for the purpose of filling the requisition that comes to us from the Department of National Defence. If the Department of National Defence is satisfied with the military training these men are getting and is satisfied with the establishment of the Canadian officers training corps and with the conditions under which a unit of that corps is operating in any particular case, I would assume that the Department of National Defence is the proper department to determine that particular fact. Periodically these matters come up for review by reason of changing situations and changing circumstances. That has happened in the case of students. Some of the subsections of section 17 of the regulations are now spent; they have no value or use at all at the present time. I think I have now dealt in a general way with the subject of students to which the leader of the opposition referred.

There was one other reference which my hon. friend made. As reported at page 1639 of *Hansard* of March 25 last, he said:

> My fourth question is in reference to the interpretation section, or that part having to do with key men, training period and war industry. I have often wondered how a man between the ages of twenty to twenty-five years could be considered a key man in industry. He may be a key man on the farm, but I doubt very much if any twenty-year-old man can be a key man in any industry.

There again the question is one of fact relating to the particular case involved, and the principle is not exclusively whether a man is a key man but whether he is essential to war industry. That general situation is provided for in section 14 of the regulations, where the board is required, when it deals with an application for postponement from persons in certain classes of occupations, to look at the whole situation from the point of view of the national interest and the supply of labour that is available in that particular locality. That is the governing principle in the granting of postponement, and there may be many young men in the age class of twenty-one to twenty-five who may be making a far greater contribution to the effectiveness of the

war effort by remaining with war industry than by being called up for basic training. In each case it depends upon the facts of the particular situation, and I do not think it is possible to generalize with regard to the matter.

There are a great many other things that I could say with reference to the regulations. I could deal with the subject of conscientious objectors, and make a detailed report with respect to the work that they have been doing, and I could deal also with related subjects in that regard, such as conscientious objectors and their activities. I could also discuss other subjects over which the mobilization division of my department has charge, such as the recruiting of Canadian fire-fighters for Great Britain. I am quite sure that members of the committee will be glad to learn that the first group of officers of that organization has arrived safely in Great Britain.

Mr. GREEN: Will the minister tell us something of the plan?

Mr. THORSON: I could speak on the subject for whatever length of time my hon. friend would like me to.

Mr. COLDWELL: We want to know all about it in the shortest possible space of time.

Mr. THORSON: The idea of raising Canadian fire-fighters for service in the United Kingdom arose after the visit of the Prime Minister and the Minister of National Defence for Air to Great Britain. There was some discussion as to whether it should be a military organization or whether it should be an organization of a civilian nature. It was finally decided that it should be of a civilian nature.

Mr. MacNICOL: They are all volunteers?

Mr. THORSON: Yes, like all others who are making their most useful contribution to the war effort. It was decided that the raising of these men should be assigned to the Department of National War Services. The organization took some time, but it is now, I think, in a very satisfactory form. The purpose of the corps, the initial strength of which is to consist of 400 officers and men, is to assist the national fire service in Great Britain in the extinction of fires, in the protection of life and property in case of fire in Great Britain, Northern Ireland and the Isle of Man, in the extinction of fires and the protection of property in ships and vessels at sea, and in rescue or salvage work, for which its appliances are suitable, in Great Britain, Northern Ireland and the Isle of Man. The fire chiefs throughout the dominion are giving great assistance in the recruiting of these men, without any expense to the public. All clothing and equipment are being purchased through the Department of Munitions and Supply. The men are put on the same rates of pay and are generally subject to the same conditions as members of the active army overseas. They have the benefit of the pension arrangements, and allowances and the like. The idea is that we shall send these men over to Britain in detachments of twenty-five or fifty, and they will then become associated with fire-fighting services there. The present indications are that we shall have no difficulty in raising the corps of 400 men that we set out to raise. That is a brief statement of the activity, which is likewise in the mobilization division of my department.

Mr. MacNICOL: With regard to the officers of the fire-fighting units that are being sent over, are there commissioned officers and so forth?

Mr. THORSON: Yes. We follow very much the same kind of set-up as in the army. There are officers of various ranks and men of various ranks. A draft is ready to go overseas almost at any time.

Mr. PERLEY: I have listened to one of the minister's brief statements explaining these regulations. He has dealt with conscientious objectors and fire-fighters, and one hypothetical case was brought to his attention. Yesterday we listened all day to an argument between lawyers, and lawyers are butting into this discussion pretty often.

At the outset this evening the minister said that he would welcome constructive suggestions. He said that some members of the committee had been making long speeches, much longer than he himself had made. I do not think he can accuse me of doing so, as far as this resolution is concerned, because on only two occasions, I think, have I said anything other than to ask a few questions. But to-night I am going to bring to his attention what I think is an important matter, because it deals with the provision of labour to take off the coming harvest. Some hon. members may think it is a little early to talk of this, but I do so because it is quite evident that it takes the minister's department and certain departments of the government quite a long time to get organized to do anything efficiently and in proper season. May I say also that this matter is brought to my attention through having received recently a number of letters similar to that mentioned by

the hon. member for Rosetown-Biggar a while ago. I have a number in my desk, I am not going to take time to read them, but one or two I shall refer to briefly.

Farmers have completed their seeding operations in spite of difficulties as far as labour is concerned. Great credit is due them that they have done as well as they have in getting a crop in. The seeding is pretty well all done in western Canada, the season has been favourable so far, and the outlook is for an average crop. But there is going to be a critical situation in harvest time. An order in council that has been discussed at considerable length on different occasions in the last three or four weeks was tabled, I think, on March 25. It is P.C. 2251, and one clause of it was for the purpose of freezing employment in agriculture. Prior to that date the records show that enlistments in western Canada—and I am going to deal more particularly with the three prairie provinces—were very great; that is, very favourable compared with the rest of Canada, especially among the farmers. Also industry in eastern Canada had taken quite a toll of farm labour and farmers' sons. Many of them came east and got employment in industry, where they receive good wages. There has been considerable discussion of that order in council, and suggestions have been made that possibly another order should be passed, to all intents and purposes making that order retroactive at least eight months. However, that is a matter for the government to decide. I make the suggestion now that something of that kind might be done.

However, prior to that order being passed, many men had come from western Canada and secured positions in industry. Girls and women have also enlisted and come from the west, particularly the prairie provinces, in great numbers. Here in Ottawa many girls from the west are in offices. Their brothers have enlisted; they have a patriotic spirit; they come here and get a position or enlist. It may be of interest to hon. members to learn that women and girls can play a very important part in harvesting operations. Harvesting this year will be somewhat different from that in other years. The farmers have met the suggestions and regulations put out by the Department of Agriculture, they have complied with what the Minister of Agriculture asked them to do in increasing their seeding of coarse grains and flax. These crops cannot be harvested like wheat; they require more labour. Wheat now is generally "combined", and one man can do a great deal, taking the place of a dozen or more in harvesting. But that cannot be done with respect to coarse grains, they have to be cut with the binder, stooked and so on. In the last few years girls and women have played a very important part in harvesting operations, but now many of them have enlisted or left the farms for other positions.

The question of university students was mentioned. I have here a note from one of the western papers which states that since January last a great many students have been leaving school to get employment before they should be barred from restricted occupations. Quite a number of farmers' sons of seventeen years of age and under have left school on that account and now are not available to help in the harvest. I know that representations have already been made to the Minister of Agriculture asking him to cooperate with the minister now before the committee to see that regulations are formulated to deal with this matter. There should have been regulations similar to order in council P.C. 2251 freezing farm employment a year ago. We should now have some understanding and a statement from the minister, before this resolution passes, as to what he proposes to do. His department is, I believe, conducting a national registration of unemployed between the ages of sixteen and seventy—

Mr. THORSON: The hon. member has not read it with precision. That is not so.

Mr. PERLEY: Well, I have it here. I will read the information put out by the public information bureau. It says:

> Compulsory registration of all men between 17 and 69 has been ordered by the head of Canada's national selective service. This is part of the programme to mobilize the country's man-power resources to meet the demand of the armed services and war industry.

Mr. THORSON: That is an indication of the need for precision. The hon. member will see that the matter does not come within my department at all.

Mr. PERLEY: I was just going to say that this order should have applied to agriculture. It says mobilization for the armed services and war industry. It should have included the agricultural industry, which is just as much a war industry as any other. All we want is fair consideration.

I have here a statement made by the Minister of National Defence when he was before the committee the first three days. He said they expected that there would be 15,000 women enlisted between the ages of eighteen and forty-five. Then he gave the number of men called up for military training under the National Resources Mobilization Act in each province and accepted at national defence army basic training centres from October 9,

1940, to March 12, 1942. All I want to use this table for is to show in what numbers the three prairie provinces in particular have given their men, and the postponements asked under this regulation when they were called up are here listed. This is the table:

	Number called up	Applications for postponement	Applications granted
Saskatchewan ..	9,424	2,874	1,803
Manitoba	8,331	3,231	2,442
Alberta	9,024	2,534	2,334
Quebec	38,433	37,163	22,174

Applications were granted in Quebec almost in the ratio of one to one and a half, while in Saskatchewan—

Mr. THORSON: The lowest percentage was in Quebec.

Mr. PERLEY: There were 22,000 postponements granted out of 37,000 asked for and 38,000 called up. They nearly all asked for postponements, according to the table placed on record by the minister when he was first before the committee.

Mr. THORSON: Unfortunately my hon. friend is falling into the same error that the editorial writer of the *Citizen* fell into. I spent fifteen or twenty minutes in explaining that error. It is not a case of 37,000 of the 38,000 having applied for postponement. The 38,000 were accepted for training; they all went into the army and none had a postponement granted.

Mr. PERLEY: The table is taken from *Hansard*.

Mr. THORSON: Read it again, and read it with precision.

Mr. PERLEY: The column is headed:

Number of men called up for military training under the National Resources Mobilization Act in each of the provinces, and accepted at national defence (army) basic training centres, since October 9, 1940, up to March 12, 1942.

Mr. THORSON: That means that all those men were called up and went into uniform. The next column has nothing to do with that.

Mr. PERLEY: There were practically as many secured postponements as went into training.

Mr. THORSON: Not at all; read it again.

Mr. PERLEY: Well, it is in the table. I took it from *Hansard*. Take the minister's own statement and add one and two together. Is that right?

Mr. THORSON: No.

[Mr. Perley.]

Mr. PERLEY: Yes. There were 38,000 who went into training, and in addition there were another 22,000 who secured postponements; is that right?

Mr. THORSON: Yes.

Mr. PERLEY: Then one of every two and a half got a postponement?

Mr. THORSON: Make your own arithmetical calculations.

Mr. PERLEY: Perhaps the minister is a mathematician; he may be able to figure it out. I am giving him an I.Q. test now. If you take Saskatchewan on the same basis, there was only one out of every eleven, and the ratio is about the same for Manitoba and Alberta. The point I want to make is that fewer postponements were granted in the three prairie provinces than in any other province, on a comparative basis, which means that more men have gone from the farms. In addition, there have been many enlistments of farmers and farmers' sons; their showing has been very creditable. As a result there is a dearth of labour available to take off the harvest. The Minister of National Defence also said definitely that harvest leave would not be granted to those in the active service forces in Canada. We have no objection at all to that, but it is evident that there will be no leave granted for harvest leave. So I want the minister, now that he is registering the unemployed between sixteen and seventy, to use those figures to mobilize the man-power and woman-power of Canada so that sufficient may be available to the west to assist in taking off the harvest.

I bring this matter to the attention of the minister now. He may smile, but his record for action does not warrant any smiling. This is an important matter, and we are going to have an acute situation in the west with respect to labour. It is a serious matter now, and I bring it to the attention of the minister only because I want action. According to the letters I have received, the farmers are very much concerned about how they are going to get along. Take a case like that mentioned by the hon. member for Rosetown-Biggar, a farmer left alone, with no son and no hired help, with eight or nine hundred acres in crop and no prospect of getting anyone to help him take it off. Why, I have one case in which the farmer's daughter has donned the uniform and enlisted, and he is left all alone to take off his crop. This is just as important war work as anything else, and I should like a statement from the minister as to what he proposes to do with these figures he is getting in regard to unemployment.

Mr. THORSON: I have pointed out already that I am not getting any figures with regard to unemployment, that it does not come under my department.

Mr. CRUICKSHANK: I come from a real farming country, where there is a real shortage of labour, in particular for dairy farms. I cannot quite appreciate any shortage on the prairies, because I understood we in this house were arranging to have all the prairie farms summer-fallowed, or something like that. Where I come from this shortage is very serious; but before I go on with that I want to take up my controversial subject.

I am very much interested in learning what the minister intends to do with regard to conscientious objectors in British Columbia. Any explanation the minister has given me so far in answer to my questions along this line certainly has not been satisfactory either to me or to my constituents or, I think, to the people of British Columbia as a whole. In my province the people who presumably were to be called up by the minister's department have all gone into the shipyards or other highly paid employment—and for the benefit of any hon. member who might question me I do not say too highly paid, nevertheless highly paid positions. These men obtain, in many cases, the benefits of a high rate of wages; 98 cents an hour, to be accurate. They happen to be exempt by law from military service; they do not have to carry out the duty of any ordinary citizen, that of defending his own country. They are exempted by law from having to do so.

Mr. THORSON: The hon. member should be more careful in his statements. They are postponed in respect of their military training if they show that they are Mennonites or Doukhobors within the meaning of section 18 of the regulations, or conscientious objectors within the meaning of section 19. That arises only when they have been called up under the regulations. Then, if their claim is recognized, as a Mennonite or Doukhobor or conscientious objector, they are held for alternative service in work camps; and when they are directed to that alternative service, which may now be for the duration of the war, they receive 50 cents a day.

Mr. HANSON (York-Sunbury): But how many are there?

Mr. CRUICKSHANK: With all due deference to the minister I must say that he is not correct in his assumption. I presume he has been ill advised by his department. That is not correct in British Columbia, whatever may be the situation in the rest of Canada. This is the original call that came—I deliberately avoided using names; but since the minister has put them on record, I will say they were conscientious objectors. I will now tell the minister how they were exempted from service—and this is a very serious matter. The minister may think it is not serious, but certainly it is serious to the mothers of the boys in England to-day, or of those who may not come back. It is a very serious matter to them.

Under our so-called mobilization act I think the age was twenty-one to twenty-four; is that not correct? They were called up from twenty-one to twenty-four years; but the minister apparently never heard of twenty-five years of age.

Mr. THORSON: It was set at thirty.

Mr. CRUICKSHANK: Pardon me; you are speaking of the present time. I will leave it to the committee as to whether the minister was correct or not. Sometimes it pays to wait until all the facts are put before one, and then attempt to answer them; not to jump in ahead of time. The original measure called for men from twenty-one to twenty-four. A boy twenty-four years and two days old could go into a shipyard at 98 cents an hour. He did not have to apply for exemption; he did not go to an army camp at 50 cents a day—and I defy the minister to contradict that. Mark that; I do not say he is incorrect—certainly not. I do not say that, but I will put it that he is ill advised. However, it is not an assumption that should be put as stated by the minister; the age was not originally thirty years. They were not called up; they were not called into these army camps—I am referring to the boys who happened to be twenty-four years and one day old.

They went into the shipyards. Then what happened? Because this act did not function as some of us in the rump suggested a year ago it should act—that is, it did not bring in national selective service at the proper time—these men went into the shipyards and other highly paid war industries, with the result that they are now classed as essential war workers, skilled workmen, carpenters and shipbuilders. Some of them never saw a ship in their lives, unless it was in a movie. But now they are classed as skilled workmen because they are working in those shipyards. I could give the minister the names of plenty of them in war industry who have not had to get exemption. I do not think it is a proper practice, and the minister has yet to show me any excuse for it.

I would be interested in hearing the minister's—I will not call it an excuse; possibly I should say I would be interested in hearing him try to explain to me that they are exempted only through postponement. Then we go on to those men thirty years and one day old. By an act of parliament these conscientious objectors are given exemptions from defending their country. I am not blaming the present minister, the present government or possibly the past government. I believe it was pointed out that the provision was made in 1873. But I must urge the seriousness of the situation, a seriousness which unfortunately the minister has not yet grasped. I should like to make myself particularly clear to the hon. member for Vancouver East. Let hon. members bear in mind that I am not quarrelling with the unions, either. I have a great respect for the unions, because I believe in collective bargaining. The labouring man would have a terrible time to-day if he did not have his union to protect his interests.

These conscientious objectors are allowed to avoid military service to defend their country. However, they go into a shipyard and automatically they must join unions. Any man who applies for any position must join one of the unions. I have no quarrel with the unions, or with the principle of collective bargaining which I strongly endorse; but I do say that once these men are in the shipyard unions, they can tie up the most essential war industry we have in Canada or in the British empire, namely that of shipbuilding. Surely, if a man has the right to strike and to tie up a war industry, he should not have the right to exemption from service to his country. I should be interested to hear the minister's explanation of that.

I have a question in mind which I could direct to the hon. member for Parkdale. He might think I do not know anything about this matter. Frankly I do not know much about it, but I have noticed that a number of members talk about many things concerning which their knowledge is limited. I should like to know how young doctors from twenty-one to thirty years of age are treated, so far as their calls for military service are concerned. I have information from certain medical men in British Columbia that there is a need, estimated by the Department of National Defence, for some 600 medical men in the current year. I am also told that medical authorities in that department say that at the present time there is an urgent need for 200. I presume those figures are correct.

I should like it to be understood that I am not criticizing the medical profession or the minister's department. I am asking for information. The information which comes to me has given me certain figures, and I am also advised that in British Columbia there is an advisory council of medical men and, I believe, a central advisory council for Canada, whose duty it is to advise so that doctors will not enlist and leave any part of Canada without proper medical service. That is my information.

I cannot see why young doctors under thirty years of age should be in a position to avoid the call, stay at home and take the practices of many doctors, particularly in the city of Vancouver, who have wonderful practices built up by themselves, but who have answered the call and gone away. I see no reason why these young men under thirty years of age should be allowed to stay at home and walk into those practices, while the original practitioners are serving overseas. I am speaking from information given to me by practical medical men of my province.

Mr. HANSON (York-Sunbury): A lawyer would say that the hon. member is acting on instructions.

Mr. CRUICKSHANK: I am glad lawyers have been mentioned, because I shall have a word to say about them in a moment or two. May I repeat that I am not criticizing the medical profession, but I do say that these men under thirty years of age should be subject to call. The advisory council in the province should say whether a certain doctor can or cannot be spared. I believe the hon. member for Parkdale will understand that situation better than I do. It seems reasonable to me that older doctors—and I could give their names; the hon. member for Parkdale would know many of them from British Columbia—should not be deprived of their practices when they answer the call to go to war. I see no reason why the young, single, medical men under thirty years of age should stay at home and step into those practices. It is only a reasonable assumption that these young medical men should be as liable to call as any other men, with the proviso that the advisory council should make a decision as to whether they can be spared from the province.

A question has been raised with respect to lawyers. Recently I received a letter from a young lawyer in Nova Scotia asking if I could advise him as to how he could stay out of the army. I would be pleased to show the letter to the leader of the opposition, and I would very much like to show the two-page letter I wrote advising this young lawyer to get into the army, and not stay out of it.

Mr. MACDONALD (Brantford City): Lawyers have done very well in the army.

Mr. CRUICKSHANK: Of course, but not half as well as farmers.

Mr. HANSON (York-Sunbury): There are more farmers.

Mr. MACDONALD (Brantford City): There is a high percentage of lawyers in the army.

Mr. CRUICKSHANK: That is a good job; I admit that.

Mr. MACDONALD (Brantford City): As fighting soldiers.

Mr. CRUICKSHANK: I am not depreciating the fact, and I may say that the hon. member for Brantford City was one of the best fighting soldiers we had overseas in the last war. However, this young student attending Dalhousie university put it up to me, on the assumption that he could avoid service because of his attendance at university. I am willing to concede that medical men, and men engaged in many other lines, are essential, and should be permitted to complete their university courses and branch out into our war effort. The sooner those men are graduated, the better. But by no stretch of the imagination can I see the need for any more lawyers in Canada for the war effort, or any other effort.

Mr. THORSON: I shall try to deal briefly with the two questions put by the hon. member for Fraser Valley. The first one which relates to doctors I think can be answered in just a sentence or two. All doctors within the callable ages, which are now twenty-one to thirty years, are subject to call in the same way as anyone else. Any young doctor so called has a right to apply for postponement of his military training. His case would come before a divisional board which would either grant or refuse the application. I have no doubt that before a board arrives at any decision in the matter it would consult the competent medical authority, the advisory council or whatever it is in the particular province.

Mr. FRASER (Peterborough West): How about dentists? I understand they are needed also.

Mr. THORSON: They would be dealt with in the same way. The hon. member for Fraser Valley referred also to conscientious objectors. Persons who are not within the callable ages may work at any employment that they may be able to get. We started off by calling persons in the age group from twenty-one to twenty-four years, and only those persons who were covered by the proclamation were subject to call. Recently we extended the age group subject to call by the issue of another proclamation which calls upon persons in the age group from twenty-one to thirty years. Persons who are beyond that age are free to work in any employment that they may obtain. The question as to whether such a person is or is not a conscientious objector does not arise.

Mr. TUSTIN: I understand that the minister's department issues a requisition for a certain number of men in a certain district. Under what plan does the registrar call up the number required? Are they called alphabetically or how?

Mr. THORSON: The registrar calls his men by age groups, taking the lowest age group first. I think I described it last fall as calling men by juniority. This call is spread over the whole division as equitably as possible.

Mr. HANSON (York-Sunbury): Geographically?

Mr. THORSON: Each division is comprised of a certain number of electoral districts, and the registrar is asked to distribute the quota he must fill as equitably as possible over his whole division and call men according to juniority.

To come back to conscientious objectors, the question as to whether a man is or is not a conscientious objector does not arise for anybody to determine in respect of persons who are not in the callable age group. My hon. friend is quite right when he says that persons of, say thirty-one years of age might be employed in a shipyard. No one will have determined whether such a man is a conscientious objector because he has not applied for postponement of his military training. There is no automatic postponement in respect of any class of persons. In each case there is an individual decision made by the board in respect of an application for postponement of military training on the grounds of conscientious objection.

In our attitude toward conscientious objection we are taking exactly the same attitude as that taken by every civilized country in the world, and we intend to continue to take that civilized attitude. I doubt if there is a single man in this house who can understand in himself the point of view of a conscientious objector; nevertheless we think we are all determined that we should adopt an attitude toward conscientious objection similar to that adopted by other civilized countries. I have yet to learn of an employer in this country

asking any person as a condition precedent to his employment what his attitude is toward the bearing of arms. The question of conscientious objection does not arise.

These men are as good workers as any other men. Hundreds of so-called Mennonites have enlisted for active service anywhere in the world. A great number have indicated their desire to undertake the most dangerous service possible, notwithstanding the fact that they have conscientious objection to the bearing of arms or the taking of human life. The situation which my hon. friend brings to my attention is one that we cannot criticize. These men are good workmen, and they are not subject to call for the time being any more than anyone else in the same age group. But when we move the age group up—

Mr. CRUICKSHANK: If.

Mr. THORSON: Not if, when. We will probably move up the age group very soon. We are now calling the age group of from twenty-one to thirty years, and I would not be at all surprised if we moved that forward to thirty-five years within a very short time. Then the persons to whom the hon. member for Fraser Valley refers, those who are now thirty-one years of age, will be called up. If they claim postponement on conscientious objection grounds and that claim is granted, then they will be held for alternative service.

Mr. CRUICKSHANK: The minister has stated that we have no way of knowing who are conscientious objectors, but did we not take a registration some time ago?

Mr. THORSON: No one gets postponement until he applies personally for postponement on the ground of being either a Mennonite or a Doukhobor within the meaning of section 18 of the regulations, or a conscientious objector within the meaning of section 19.

Mr. CRUICKSHANK: That is not answering my question. The minister has said that we have no way of knowing.

Mr. THORSON: That is correct.

Mr. CRUICKSHANK: If the minister will go to his own files and look at the back of one of these registration cards, he will see what a man signs. I understand that some 2,000 Doukhobors are conscientious objectors when they would not even register.

Mr. THORSON: Many so-called Mennonites have enlisted.

Mr. CRUICKSHANK: I am talking about Doukhobors. Let us finish with the Doukhobors first. Have all Doukhobors registered?

Mr. THORSON: No.

[Mr. Thorson.]

Mr. CRUICKSHANK: Why have they not registered if they are not conscientious objectors?

Mr. THORSON: I have said about all I think I can say on the subject of Doukhobors; that is, the British Columbia variety known as the Sons of Freedom. I do not know that we need to go into that to any greater extent at the present time because I have covered the matter twice at great length. There is really nothing I can add to what I have said already.

Mr. NICHOLSON: It seems to me that one of the functions of this department is to take into consideration the total man-power and other resources of the dominion and then to work out plans that will result in the most effective war effort. I can understand that the Minister of National Defence quite rightly thinks that the most important department in the war effort is national defence, and the same thing applies to the minister for air and the minister for naval services. The Minister of Munitions and Supply has also a tremendous programme, and the Minister of Agriculture is naturally concerned about producing food for Canadians and for the people of Great Britain. It therefore seems to me that the Department of National War Services should be the one department able to view the entire field and to work out the most effective plans. I have been puzzled as to why national plans have not been worked out more effectively. Reference has been made to the orders in council and to the minister's memorandum in connection with the man-power policy as it applies to agriculture. But still I do not think we have a department here that is planning the most effective things that can be done. In the memorandum which the Minister of National War Services placed on the record, it is stated, as reported on page 2307 of *Hansard:*

> When the applicant has shown that he is a person wholly or mainly employed in agriculture within the meaning of the amended regulations, it is mandatory upon the board, subject to the exceptions hereinafter mentioned, to grant the postponement order.

But when you come to the exceptions you find this:

> The board is not required to grant a postponement order until further notice to an applicant if it is established to the satisfaction of the board, either (1) that the applicant is not an essential worker in agriculture, or (2) that the applicant has at any time subsequent to March 23 ceased to be actually employed or engaged in agriculture or in a primary industry.

In other words, the memorandum says that postponement will be granted, but it also says that the boards may decide that the applicant

is not an essential worker in agriculture. I realize that the minister has not time to study all the individual cases, but members of parliament here in Ottawa are in the position that we cannot discuss principles without reference to specific cases that come to our attention.

Mr. HANSON (York-Sunbury): And which illustrate the principle.

Mr. NICHOLSON: Yes. I had occasion to discuss with the chairman of the board in Saskatchewan, the case of a married man and his wife alone on a farm. The married man received a call to report in January last. The chairman of the board in Saskatchewan said, when I appeared on this man's behalf, "This man's wife would be in a better position if he were in the army and she were getting an allowance," and he reminded me that there was a war on. I resented the attitude he took of assuming that because I had been appealed to, I was not as fully aware as he was that there was a war on. I cannot understand why the board in Regina should be the final authority to decide what the agricultural policy of Canada shall be or what the agricultural policy for Saskatchewan shall be.

Yesterday I received an airmail letter in connection with a young man who had just turned twenty-one last December. He and his father are on a 320-acre farm. This lad received his medical call on April 21. He applied for postponement and on May 17 received a letter stating that his postponement was refused. On May 20 he received his ticket and a notice to be in Prince Albert on May 21, less than twenty-four hours after he had received his ticket. His family had read in the Winnipeg *Free Press* that we are not calling any more farm boys who are engaged in agriculture. I am not familiar with that farm or with the family, but according to the letter I have received, the father cannot, without help, carry on operations on that farm with ten horses and two outfits. The young man has been called, and now that he is in the army he goes into another category. The army authorities, I suppose, are not kindly disposed toward granting him any postponement for any extended period. So that in spite of the announced policy of this government regarding the necessity of keeping men on the farm to carry on our agriculture production programme, it would appear to me that the board in Saskatchewan can, as matters now stand, ignore this statement of policy of the government. The board does not have to prove to any particular applicant that the applicant, to use the exact words of the memorandum, "is not an essential worker in agriculture." If the board in Regina with the evidence before them say that this man is not essential in agriculture, that closes the subject and the man is called. If I am to judge by the remarks which the chairman of the board made to me last January, his opinion is that every able-bodied man should be in the army.

I think some responsible department of the government should decide the maximum number we require in the army. I am not suggesting that we have that maximum number now; but sooner or later some responsible department will have to make that decision, and when we do reach the maximum number required for the army we should retain on the farms a sufficient number of men to carry on the farming industry to supply the needs of the army and of civilian life in this country and our needs overseas. I wish the minister would announce a policy which could be carried out all across Canada with respect to retaining on the farm however many men are needed there. I should like to support what the leader of the opposition and the hon. member for Qu'Appelle have said. Apparently we have no regulations that are carried out uniformly across the country. Can the minister make any further statement in that connection?

Mr. THORSON: The hon. member for Qu'Appelle and the hon. member for Mackenzie are raising again this evening a matter that was very ably presented by the hon. member for Haldimand on May 25. There has been a full discussion of his point of view and a full discussion of the reasons governing the agricultural policy that was based on order in council P.C. 2252. I do not think I can usefully add anything to what I said on that occasion. The case for agriculture was ably presented by the hon. member for Haldimand, and I attempted to give the reasons for the agricultural policy which resulted in the adoption of the stabilization of employment and agriculture regulations of 1942 which are set out in order in council P.C. 2251 and the adoption of order in council P.C. 2252, relating to the calling up of persons under the national war services regulations. I cannot usefully add anything to what I said then.

Mr. COLDWELL: The minister will have noticed that most of these cases are being presented by members who represent constituencies in Saskatchewan.

Mr. THORSON: That is right.

Mr. COLDWELL: The hon. member for Qu'Appelle in the Conservative party and we in the Cooperative Commonwealth Federation have presented cases from Saskatchewan, and

Saskatchewan members in the Liberal party on the other side of the house have done the same thing. I suggest to the minister that this should indicate to him that there is probably something in the province of Saskatchewan that needs investigation.

Mr. THORSON: It may indicate something quite different.

Mr. COLDWELL: It may indicate something quite different, but I suggest that there is something in the province of Saskatchewan that needs looking into. It was stated earlier in this debate that the board in Saskatchewan consisted of responsible men of very high standing. I am not going to gainsay that, but I am going to say this, that I think the chairman of the board in particular is a gentleman who has only one point of view, and that is the point of view as expressed to the hon. member for Mackenzie (Mr. Nicholson), that every able-bodied man ought to be in uniform. Another member of the board holds pretty much the same view.

Mr. THORSON: Name the third member of the board.

Mr. COLDWELL: I have named two. Mr. Justice Embury is the chairman, a man with a military mind and as irascible as some elderly generals are.

Mr. MacNICOL: Is he a general?

Mr. COLDWELL: A brigadier.

Mr. GREEN: And a fine one too.

Mr. COLDWELL: But fine generals towards the latter years of their life sometimes become a little bit irascible; I use that word.

Mr. FLEMING: Senile decay.

Mr. BROOKS: There are not many suffering from that.

Mr. COLDWELL: The second member of the board is Mr. Carl Stewart. Saskatchewan Liberals know him, and probably Saskatchewan Conservatives know him to their sorrow. The third member of the board is Mr. George Bickerton.

Mr. THORSON: Who is he?

Mr. COLDWELL: President of the United Farmers of Canada.

Mr. THORSON: Saskatchewan section.

Mr. COLDWELL: Yes. The minister knows from numerous letters that he has received that there is dissatisfaction here and there; and while I hold no brief for conscientious objectors, like the minister I cannot see that under present circumstances, in the present kind of war, conscientious objection is as it might have been had this war been of a different type. There are people who do not believe that under any circumstances it is right to take human life, and the minister knows that there are young men, conscientious objectors, who have offered, as he said, to do the most dangerous kind of work. I know of young men who have offered to learn to drive ambulances and to go into the firing line, young men who have offered to learn to fight fires and to go into the burning cities of Great Britain; and I know that such young men have been sent to work camps, there to do manual labour for which they were not fitted or trained.

Mr. THORSON: And did it very well.

Mr. COLDWELL: Yes, at 50 cents a day. I was in England last autumn and, while there, I learned something of the treatment of conscientious objectors. There, in that country at war, liberty of conscience is respected, and the man who has a conscientious objection is respected and is allowed to do some useful work in connection with the war effort or in connection with some great social project. I know of one young man, the son of one of the greatest figures in the British war effort at the present time, who is teaching a group of refugee children in a school which he maintains himself. That is looked upon as a worthwhile project. But Canadian authorities have taken the view that if any man has a conscientious objection to bearing arms, there is nothing for him to do but go into the work camp.

Mr. THORSON: Alternative service.

Mr. COLDWELL: That is what they call it.

Mr. THORSON: It may take a variety of forms before it is over.

Mr. COLDWELL: Before it is over; but at the present time young men in Saskatchewan are taken right out of—

An hon. MEMBER: Off the farm.

Mr. COLDWELL: Yes, and they are taken out of university or school and made to use pick and shovel in a work camp. That is called justice. That is not alternative service; it is punishment and it is wrong. That is what those of us who represent Saskatchewan constituencies are complaining about. I say that no man should be given any authority or opportunity to exercise sadistic propensities in this time of war. We are going to reap the whirlwind if we sow this wind of cruelty in the present war. If we do this, wherein do we differ from Hitler or the nazi regime? Liberty

of conscience, I take it, is what we are fighting for—liberty of conscience and freedom of speech, the freedom of men to choose their own destiny. That is what we are fighting for, and it is the antithesis of all of which we complain. That is probably the reason why the minister is getting so much discussion from members from Saskatchewan.

Mr. THORSON: That is not all of it.

Mr. COLDWELL: Having said that, may I ask him some questions about another case? We have said from time to time that we have been gravely suspicious that compulsory military training may result in some persons using it to crush labour organizations. I came to Ottawa on the train from Montreal the other evening, and I met a young man about whom the member for Vancouver East (Mr. MacInnis) asked a question on April 23. He asked a question about some complaints made by Allan C. Wright, who was organizer at Vancouver for the steel workers of Canada. Mr. Wright complained of the intimidation of workers. He was a young man of about thirty, a resident of the city of Toronto. His home was there. He was out at the Pacific coast doing a job for the organization with which he was associated, and right in the midst of that job he was called to the colours at Vancouver. Notice was sent to call him out of his work as a labour organizer. He happened to be in Toronto when the call came to him on his return to that city.

Mr. THORSON: That is not true.

Mr. COLDWELL: That is what I understood from him. Perhaps I am mistaken but in any event the minister can tell the story if he knows it.

Mr. THORSON: I will.

Mr. COLDWELL: The suspicion I have is that the mobilization act was used to prevent this young man from going on with the work of organizing labour on the Pacific coast. That is the only construction which could be placed on the action that was taken. He was improperly called out of his own district, called in the city of Vancouver when he was there doing his duty for a legitimate labour union.

Mr. HANSON (York-Sunbury): That is a charge.

Mr. COLDWELL: It is not a charge.

Mr. THORSON: I shall answer it.

Mr. COLDWELL: It is a statement made to me, and I am repeating it on the floor of the house so that it can be looked into.

Mr. THORSON: I have dealt with it. The case to which the hon. member for Rosetown-Biggar has referred, was brought to my attention by the hon. member for Vancouver East on May 11, I believe it was. The young man to whom the hon. member for Vancouver East referred, after he had got his notice to report for military training to Vernon, British Columbia, flew to Ottawa. The hon. member for Vancouver East asked me whether I would see this young man, and I told him I would.

Mr. MacNICOL: That you would not?

Mr. THORSON: Why would I say I would not? I said I would.

Mr. MacNICOL: I did not catch what the minister said.

Mr. THORSON: I saw the young man, and I got from him his statement of the facts. I caused an inquiry to be made with regard to the whole situation. The facts that were brought to my attention were of such a nature that it might be inferred that the man's registration card had been ordered to be transferred from Toronto to Vancouver otherwise than in due course.

Mr. COLDWELL: Who ordered that?

Mr. THORSON: That was a requisition from my department to the registrar at Toronto, and was at the request of the chairman of the board at Vancouver. The board at Vancouver would have no jurisdiction to deal with the man in Vancouver without the registration card. I have stated on a number of occasions that I was determined that there must be the utmost integrity in the administration of the regulations, that they are to be used for the purpose for which they were devised, namely, the filling of requisitions that come from the Department of National Defence. The regulations are part of the mobilization law of this country. I am also of opinion that under no circumstances may the regulations be used for any other purpose. It does not matter a particle to me from the point of view of the administration of the regulations whether the man is a labour agitator or what he is. His activities may be undesirable activities, but the national war service regulations must not be used except for the purpose for which they are devised.

I came to the view that there was some doubt as to the regularity of the transfer of the card from Toronto to Vancouver. There is an argument both ways. It is a matter of interpretation of the term "change of address"; a matter of interpretation of one of the regulations.

Mr. HANSON (York-Sunbury): Is it address or residence?

Mr. THORSON: The jurisdiction to call a man is based on the residence of the man.

Mr. COLDWELL: This man's residence was Toronto.

Mr. THORSON: This man stated that his residence was in Toronto, and when he was asked for his registration card his card showed this Toronto address. Regulation 26 reads:

> If, at any time, while a man is liable to be called out, any change occurs in his address or in his matrimonial status, he shall forthwith notify such change to the divisional registrar of the administrative division in which such man resided immediately before such change occurred . . .

At the coast there are a great many "floaters"; that is, they have not any real residence, and when the good weather comes they go out to the coast. In the ordinary course of events those men are checked periodically and their registration cards looked at. Those men really for the purpose of the regulations have changed their residence. But I do not think that could be said of this labour agitator.

Mr. COLDWELL: He is not an agitator.

Mr. THORSON: I do not think there is any doubt about his being an agitator.

Mr. NICHOLSON: What is the minister's definition of an agitator?

Mr. COLDWELL: He is a duly appointed officer of a legitimate labour organization, with his residence and headquarters in Toronto.

Mr. THORSON: Whether he was or was not an agitator is beside the point.

Mr. COLDWELL: It is a word that had better be left out of this debate.

Mr. THORSON: Even if he were an agitator, of which I personally have no doubt—

Mr. COLDWELL: And which I am certain he is not.

Mr. THORSON: Even if he were an agitator and engaged in activities as an agitator, he is not to be removed from those activities through the agency of the regulations under my charge.

Mr. HANSON (York-Sunbury): Illegally.

Mr. THORSON: Irregularly. It seemed to me from a review of all the facts that there was some doubt as to the regularity of the transfer of that man's card from Toronto to Vancouver. Without the card the divisional board at Vancouver would have no jurisdiction over the man. There was also some doubt in my mind as to the regularity of the man's call in Vancouver in due course. So at two o'clock in the morning of May 21 I sent directions to the chairman and registrar of the board directing the transfer of the man's registration card back to Toronto, with effect as from April 27, the date it was sent from Toronto to Vancouver. I directed also the cancellation of the man's notice to report for military training, because I am determined that under no circumstances may these regulations, that is the regulations which are entrusted to my charge, be used for any purpose other than that for which they are designed, namely mobilization, not regulations under which the maximum number of postponements can be granted. It seems to me that there is almost a competition in the course of this debate among some Saskatchewan members, some of whom are still to speak, for postponements.

Mr. COLDWELL: That is not true.

Mr. THORSON: The board is composed as the hon. member for Rosetown-Biggar has indicated—

Mr. HANSON (York-Sunbury): Will the minister permit a question? First, did he, under the statute or the regulations passed under the statute, have authority to take the steps which he did take? I would not assume that the minister would take that step unless he felt certain he had jurisdiction, but I ask the question for greater certainty.

Second, and more important, was there any evidence of sabotage on the part of anybody with respect to this individual, to get him out of the way by this method, or was it done in good faith on the part of those administering the law? Because so far that has been the indication underlying the theory of the hon. member's suggestion—"suspicion" is the word he used. Was there any evidence of sabotage against this man on the part of, say employers who wanted to get rid of him?

Mr. THORSON: I do not think there was any evidence of sabotage. I think the board at Vancouver was actuated by motives that commended themselves to the board. I think they acted out of, shall I say excess of zeal.

Mr. COLDWELL: Zeal for what?

Mr. THORSON: There was no evidence of any sabotage.

Mr. HANSON (York-Sunbury): What about the question of jurisdiction?

Mr. THORSON: I came to the conclusion that I had power to issue directions of the kind I did issue, under the provisions of section 22 of the regulations.

Mr. BROOKS: Now that we have disposed of this one man case that has taken up so much time, I must say that I was pleased indeed to hear the minister say a few days ago that this was a mobilization act, not a demobilization act. One sitting in this house and listening to a great many of the remarks made would almost think we were more interested in keeping men out of the army than in getting them into it. We have shown a great deal of sympathy for conscientious objectors. I am proud to say that in my own province we have very few of these people. Out of some six thousand men whom I have had at my military camp, we have had less than half a dozen conscientious objectors. It seems to me that a great deal of sympathy has been expressed in this house for people of this class, one might almost say maudlin sympathy, indeed more than has been expressed for the men who are really trying to do their duty and carry on the work that is necessary.

We have little complaint in New Brunswick, where we have an efficient registrar and an efficient board, of which Chief Justice Baxter is chairman. There is a question I should like to ask, however, in connection with farm labour, following what has been said by the hon. member for Qu'Appelle and some other hon. gentlemen. My question is with regard to the distribution of farm labour. There are certain sections of my province—and I am satisfied that the same thing is true all over Canada—where the farms have been almost depleted of men. I believe that is particularly so in the Kennebecasis valley, in my own constituency, and up the St. John river in the other part of the province. Those sections have been drained of practically all the young men who were on the farms, and I may add that these are the best farming sections in the province. In my constituency we have large dairy farms with practically no help. Up the St. John river there are the large potato farms, also with practically no help. But then we have other sections where there are smaller farms, perhaps 100 or 120 acres, and it is from these sections that most of the applications for postponement are coming. On some of these farms there are five or six men, yet they are asking for exemption and getting it. On the one hand, in certain sections we have small farms with numbers of men on them and, on the other hand, large farms with practically no men.

My question to the minister is this. How is he going to distribute this labour? The same thing applies to labour in the west. The hon. member for Qu'Appelle has said that in certain sections the farms have been practically depleted of men. Is labour to be taken from one section of Canada and placed in another? Is it to be distributed evenly over a province? After all, there is no use in saying that we are going to hold so many men on the farms if on one farm there is no labour at all and on another, a smaller farm, there are more men than are really required. As I understand it, these men must be engaged in farm labour. I believe this is a problem which the Minister of Agriculture and the Minister of National War Services will have to take into consideration. Something will have to be done in order to have a proper distribution of the farm labour which has been frozen on the land.

Mr. CLAXTON: I wonder if I might bring up a new subject before the committee.

Mr. BROOKS: Perhaps I might get an answer to the question I asked the minister.

Mr. THORSON: I beg my hon. friend's pardon; I was not aware of the fact that he had asked me a question.

Mr. BROOKS: I asked if the minister had any idea of how the distribution of this farm labour will be carried out. They have been frozen on the farms of the country. How are you going to distribute them?

Mr. THORSON: That is not going to be the easiest problem to deal with; indeed it is an exceedingly difficult one. It is part of the problem of utilizing man-power to the fullest possible extent, where questions of the mobility or immobility of man-power are involved. It is undoubtedly true that in some areas of Canada the supply of agricultural labour has been so much depleted that the situation is very serious, while in other parts of Canada the situation is not quite so bad. The departments vitally concerned are the Department of Agriculture, the Department of Labour and my own department to the extent that the calling up of men may make inroads upon the supply of agricultural labour. We tried by the adoption of the agricultural policy that underlies order in council P.C. 2252 to prevent any further drain upon agricultural labour, in the hope that if we could prevent the agricultural situation across Canada from getting any worse we could get by—not any more than that—with our agricultural commitments that are part of our war effort. For that reason we decided that we would stabilize employment in agriculture, as far as possible, of persons who are wholly or mainly employed in agriculture and, subject to certain exemptions, prevent them from leaving agriculture. In other words, using language that perhaps is not exact, we were freezing them in agriculture. I will admit that this does not fully meet the

situation in the areas which have been too greatly depleted, but that is a situation which will demand our very best attention.

Mr. HANSON (York-Sunbury): The minister is merely reaffirming the position taken by the hon. member for Royal. What does the minister propose to do about it? That is the practical question. How is he going to distribute this labour? I have an illustration that I can give to the minister. In one county a call was sent out for twenty men to do some work at a camp. Three hundred turned up. There is a plethora of men in that community, while in the county of Kings you cannot hire a man to milk a cow to save your soul. This situation must be dealt with.

Mr. THORSON: The situation is uneven, and in so far as labour can be moved from one area to another, every effort will be made to move it. But I made reference to the subject of mobility and immobility of labour.

Mr. HANSON (York-Sunbury): But the minister did not tell us that the government had any policy.

Mr. THORSON: It is encouraging the movement of men from one part of Canada to another, where labour is required. That is the essential purpose of the labour employment offices established by the Department of Labour.

Mr. HANSON (York-Sunbury): Oh, that is for industry; we are talking about agriculture.

Mr. THORSON: I beg my hon. friend's pardon. In many years the largest supply of agricultural labour, in so far as the west is concerned, has been found by the labour employment offices; they are a very important agency for finding the agricultural requirements in respect of labour.

Mr. FLEMING: I wish to ask merely one or two questions. First of all, were two sets of instructions issued, the one that appears on *Hansard* and another one?

Mr. THORSON: The answer to that is no.

Mr. FLEMING: All right.

A few days ago there was a discussion in the house with respect to lawyers, and whether a young man could employ a solicitor to conduct his case for him. I hold in my hand a leter from Mr. A. C. Stewart, a member of the board in Saskatchewan, in which he says:

> Our board is being criticized in the house for being influenced by the efforts of solicitors, who are suspected of making money through the efforts they put forward to have men postponed. We intend from now on to pay no attention to any communications from solicitors received on the subject.

Did the minister issue instructions to that board that solicitors were not to send in representations with respect to these men's cases?

Mr. THORSON: No; the regulations are the only directions on the subject; no directions have been issued from the department.

Mr. FLEMING: I am told that there was another set of regulations.

Mr. FRASER (Peterborough West): I should like to speak concerning a different subject entirely. What is the minister going to do in regard to the Canadian women's voluntary services? This organization was formed in June, 1941, and was registered under the War Charities Act in September of that year. Since that time these women have done a wonderful work, and are continuing to do it to-day. Now, however, the government seems to disregard them entirely, and wants to take over what the women have been doing. Instead of its being on a voluntary basis, the government has now engaged a Mrs. West as director at a salary of $4,000 a year, and has appointed an assistant at a yearly salary of $3,000.

Mr. HANSON (York-Sunbury): The salary of the former is $4,800.

Mr. FRASER (Peterborough West): Plus expenses. These C.W.V.S. women have carried on their work, especially across Ontario, at no expense whatsoever to the government. They have given their time, service and everything else.

In his letter of April 27, 1942, to the president of the Canadian women's voluntary services at Toronto the minister says:

> It was finally decided to establish a division of the Department of National War Services to be known as the division of women's voluntary services. This division was established by order in council P.C. 8488, dated October 31, 1941.

That was only a month after the Canadian women's voluntary services had been registered under the act. However, the government did not tell the women about it at that time, and they have been carrying on ever since. They are now wondering what is going to happen to them. Another part of the minister's letter states:

> I have therefore approved of the organization and development of the division of women's voluntary services as outlined in the attached memorandum. A study of this memorandum will indicate that the approach of your organization to coordination of women's voluntary effort is the exact opposite to that of our division. In the past ten days Mrs. West and Miss Held have been visiting many of the Ontario communities and find there is a great deal of confusion because of the similarity in name of the two organizations.

I am therefore waiting to advise you that much as I regret to take this action, it will be necessary for my department to terminate the registration of your organization under the War Charities Act under its present name—"Canadian women's voluntary services".

We would, however, be pleased to consult with you as to methods of cooperation from your organization, under some other name, in furthering the objects of the women's voluntary services division of the Department of National War Services.

This letter is signed by J. T. Thorson. The government stepped in, after these women had organized and done all the spade work. The government step in and say, "Your name is out; we will take it over."

The next letter is from the president of the Ontario association. I shall not read that letter, but shall proceed to the next one sent by the minister. This letter is dated May 4, 1942, and states:

First, I pointed out that the similarity in name between the "division of women's voluntary services" in the Department of National War Services and that under which you have been operating—"Canadian women's voluntary services, (Ontario division)"—is leading to confusion.

There would not have been any confusion if the government had just checked back over their files and found out that the women had registered a month before.

Mr. MacNICOL: A year before.

Mr. FRASER (Peterborough West): No, a month before. This came into being in October, 1941, and the women's association was registered in September, 1941. The letter continues:

I wished to indicate, well in advance of the expiration in September of your registration under the War Charities Act, that it will not be possible for you to continue to be registered under your present name. I did not say, nor did I wish to convey the idea that, under some other appropriate name, your organization will be refused registration under that act.

The organization in Ontario is composed of these different organizations:

British Empire Ex-Service Women's Association
Canadian Auxiliary Territorial Services
Canadian Business and Professional Women's Club
Canadian Federation of University Women
Canadian Mothercraft Society
Canadian Women's Service Force
Children's Aid Society
Church of Christ Disciples
Community Welfare Council of Ontario Inc.
Coronation Unit of Ex-Service Women
Eastern Canada Region, International Association of Soroptimist Clubs
East York Women's Service Corps
English Speaking Union
Federated Women's Institutes of Ontario
Federation of Women Teachers Association of Ontario
Grand Camp, Daughters of Scotland in Canada
Overseas Nursing Sisters Association for Ontario
Grand Lodge, Daughters of England Benevolent Society
Hadassah Organization
Ladies' Auxiliaries to the Order of Scottish Clans
Ladies' Orange Benevolent Association
Ontario Dental Nurses and Assistants
Ontario Provincial Command Ladies' Auxiliary, Canadian Legion
Ontario Provincial Council, Canadian Daughters League
Order of the Eastern Star
Protestant Women's Federation of Canada
Provincial Branch, Canadian Ladies' Golf Union
Provincial Chapter of Ontario, Imperial Order Daughters of the Empire
Queen's University Alumnae
Registered Nurses' Association of Ontario
St. John's Ambulance Society
Silver Cross Women of the British Empire
The Baptist Women's War Services Auxiliary
The Canadian Girl Guides Association
The Canadian Jewish Congress
The Catholic Women's League of Canada
The Council of Jewish Women
The Girls' Friendly Society
The Inner Wheel
The Lyceum Club and Women's Art Association of Canada
The Maccabees
The Ontario Federation of Home and School Associations
The Ontario Women's Liberal Association
The Rebekah Assembly of Ontario
The Salvation Army
The Women's Missionary Society of the Church of England
The Women's Missionary Society of the Presbyterian Church in Canada
The Women's Missionary Society of the United Church of Canada
Toronto Dietetic Association
Women's Central Conservative Association of Toronto
Women's Christian Temperance Union
Women's Committee of the Navy League
Women's Land Brigade Auxiliary
Women's Law Association of Ontario
Zonta Clubs of Canada
Provincial Council of Women
The Polish Group

All voluntary services. Mrs. Roberts, chairman of Canadian women's voluntary services for Ontario, wrote a letter to the Minister of National War Services, and this is part of what she said:

Your department says "perhaps it would be a good idea to have some courses for emergencies set up and when the emergencies arise give the courses of training." This programme of preparedness which we have adopted is what your department regards as "overstimulation of volunteer effort."

A consideration of these differences has shown us that there seems no way of avoiding the conclusion which you had come to as stated in both your letters to me, of April 27 and May 4, that the approach of our organization in the coordination of women's volunteer effort is the exact opposite to yours.

Miss Margaret Hyndman, K.C., and Mrs. Murdoch MacKenzie came to Ottawa and saw Mrs. West and Miss Held, and this is part of their report:

(1) That the government's plan is to have women's war work done in communities by social agencies;

(2) That no war work should be undertaken in a community until these social agencies who have their "ear to the ground" as to the needs, give the word "go";

(3) That women should not be trained for emergencies now, nor their free time utilized for war work except such "unspectacular" (as she called them)—

That would be Mrs. West.

—and relatively unimportant jobs as salvage and price control enforcement. Nor should they be encouraged to organize their lives to have free time which can be so utilized.

Mr. THORSON: Whose report is that?

Mr. FRASER (Peterborough West): That is the report of Miss Hyndman, K.C. That is what Mrs. West told them when they were here in Ottawa. Further on she says:

To use Mrs. West's words it "overstimulates the will of the volunteer to serve."

These women have carried on, as I said before, absolutely without any charge on the government. I do not know much about what Toronto has done, but in Peterborough sixty-one typists gave 1,244 hours of service in connection with the mobilization of the Prince of Wales regiment. Our women volunteered to supervise the extra children that have been thrust upon the Children's Aid Society; they have atended classes in home nursing; they are driving cars; they go to the training centre in Peterborough three evenings a week; they do playground supervision work and welfare department work; they take part in the Red Cross and community fund drives, and many other activities. I should like to know from the minister just why he decided to do away with this association after it was formed, and why he did not tell the ladies at that time.

Mr. THORSON: The question put by the hon. member for Peterborough West cannot be answered in a few minutes.

Mr. FRASER (Peterborough West): I do not care how long the minister takes as long as he gives these ladies a clear and proper explanation of why this was done.

Mr. THORSON: I shall do my best. It is most unfortunate that this controversy has arisen. One of the functions of the Department of National War Services as set out in the governing act of the department is the coordination of voluntary assistance. It was felt desirable to recognize in a special way the splendid work that the women of Canada are doing in their communities. Since the women of Canada are making an important contribution to the war effort in a field which only the women can fill effectively, it was thought desirable to promote the coordination of the voluntary assistance being given by these women in different parts of Canada.

We were faced with two alternative courses of action. One course that was suggested was that we should ask all the national organizations such as the Imperial Order of the Daughters of the Empire, the Canadian Red Cross Society, the National Council of Women, the Catholic women's organization and other representative women's organizations to send representatives to Ottawa to attend a national conference to discuss the advisability of establishing a national organization for the promotion of the coordination of women's voluntary services throughout Canada. After a discussion with leading women in different parts of the country that course was abandoned on the ground that the various national women's organizations across Canada were doing their work excellently in their own respective fields and that there was no need of an additional women's organization of a national nature.

Mr. HANSON (York-Sunbury): Who made that decision?

Mr. THORSON: I made it.

Mr. LOCKHART: What organizations did the minister consult?

Mr. THORSON: I discussed the matter with a great many women in Canada upon whose judgment I relied. I did not discuss it with the national organizations.

Mr. HANSON (York-Sunbury): With individuals?

Mr. THORSON: With individual people whose judgment I valued. There was practically no dissenting opinion on the subject. The view that was suggested and the view that was ultimately adopted was that if we were going to promote the coordination of women's voluntary services in an effective manner, we would have to do so on a community basis in the communities where the women would actually do the work. Therefore, as the basis for the coordination of women's voluntary services in this country, we adopted the principle of community solidarity. We decided that whatever we would do in promoting the coordination of women's voluntary services would be on a community basis.

Mr. FRASER (Peterborough West): Is it not on a community basis now?

Mr. THORSON: I did not interrupt my hon. friend. I shall be glad to answer any questions if he will just allow me to continue.

We came to the view also that the leadership among women is actually in the community, that the effective work that women can do is the work that they can do in their own community, and that is the general view. So we adopted as the basis of our whole organization the basis of community solidarity. It was thought at one time that we would merely divide our division of voluntary services and create a subdivision of it for the promotion of women's voluntary services coordination, but the view prevailed that the activities of the women of Canada in the community field deserved special recognition, and we set up an independent division of my department known as the women's voluntary services division. The purposes of that division are set out in the order in council which created the division. They are as follows:

To promote the coordination of the voluntary efforts of the women of Canada and to encourage the organization of women's voluntary services on a community basis with a view to their best utilization for the needs of their community, the maintenance of national morale and the furtherance of the welfare of the nation.

That is the purpose of the women's voluntary services division.

Mr. MacNICOL: It is too bad you have not given it some other name.

Mr. THORSON: The hon. member for Peterborough has stressed the unfortunate matter of the name. That is unfortunate, I am prepared to admit, but I am not prepared to admit that it is not a good name for the division of my department. As a matter of fact, the decision with regard to the name had really been taken long before the actual order in council went through. If the name is an appropriate name for the division which, after all, is concerned with the promotion of the coordination of women's activities across Canada, it is more important that the name should be allocated to that division than to an organization which at the present time is purely provincial.

Mr. MacNICOL: But their name is "Canadian".

Mr. THORSON: Yes, and it is confusing because they are not Canadian in their operations.

Mr. HANSON (York-Sunbury): They attempted to make it national, did they not?

Mr. THORSON: It is a provincial organization, and it is the view of the department that there is no need for an additional organization of either a national or provincial nature.

Mr. MacNICOL: Then why did you start one? They were there first.

Mr. THORSON: The dispute is really over the matter of registration under the War Charities Act, which enables them to raise money.

Mr. HANSON (York-Sunbury): That is the legal aspect.

Mr. THORSON: That is all that is cancelled, their registration under the War Charities Act.

Mr. HANSON (York-Sunbury): Have you not told them that they cannot use this name?

Mr. THORSON: Not under the War Charities Act. It is unfortunate that this has arisen but their objectives are contrary to the objectives that have generally been accepted by the department and by a great many others across Canada.

Mr. HANSON (York-Sunbury): Why does the minister say that? I do not understand that that is correct.

Mr. THORSON: I do not think there is much doubt about it.

Mr. MacNICOL: The very organization you are putting out is by far the most important voluntary organization all across Canada.

Mr. THORSON: The view that was taken in the department was that if we were to get the most out of women's voluntary services, the wisest thing to do would be to promote the organization of these women's organizations in the community.

Mr. LOCKHART: On a paid basis.

Mr. MacNICOL: You are paying salaries. That is not voluntary.

Mr. THORSON: So that all the organizations in the community will become, so far as possible, part and parcel of that community solidarity, for it is in the community that the women will actually do their work. One of the ideas was that we would promote in the larger centres where there was not one already in existence a central volunteer bureau.

Mr. LOCKHART: Paying anyone anything?

Mr. THORSON: Many of them pay salaries to some of their officers.

Mr. MacNICOL: Does the particular organization we are speaking of pay salaries?

Mr. LOCKHART: It does not.

Mr. THORSON: I know a good number of central volunteer bureaux where some persons do get some remuneration.

Mr. HANSON (York-Sunbury): In the Canadian women's voluntary services?

Mr. THORSON: No. It is not organized on a community basis at all.

Mr. HANSON (York-Sunbury): That is just quibbling.

Mr. MacNICOL: It covers not only Toronto but six or seven territories outside, in Ontario.

Mr. THORSON: It is not organized on a community basis at all. The community activity has to take into account, if it is really to be a community enterprise, all the important community organizations, and it must of necessity include the charitable and social welfare agencies because they are the core of the community activities; it is necessary so far as possible to bring those agencies together in the community. One objective was to promote the establishment of a central volunteer bureau where all the women in the community could register their willingness to engage in some kind of voluntary effort. That central volunteer bureau will become a pool or reservoir of voluntary aid, so that any organization in the community that wishes to do so can go to the central volunteer bureau and say that it needs additional assistance for this or that activity, which might be a social welfare or a social agency activity of one kind or another. It might be a war loan campaign or a salvage campaign. It might take one of twenty or thirty different forms; but there would be that reservoir of voluntary women of the community, effective not only for the purposes of the war, but also for the purposes of the post-war period. We felt that was much sounder than to establish another provincial or national organization.

Mr. HANSON (York-Sunbury): But they were in the field.

Mr. THORSON: They were not really active.

Mr. HANSON (York-Sunbury): Yes. They had a licence before the order in council was passed.

Mr. THORSON: They were registered under the War Charities Act, which allowed them to raise money.

Mr. HANSON (York-Sunbury): Surely, but they were in the field first.

[Mr. MacNicol.]

Mr. THORSON: And it is that registration, under the War Charities Act, under that name, which will be cancelled.

Mr. MacNICOL: Had they not arranged with subsidiary organizations in the case of the bombing of cities, particularly Toronto, to take children from Toronto?

Mr. THORSON: They can take on that activity; there is nothing to bar them from doing so. There are a number of fields of useful work in which they can engage. The name, however, is confusing.

Mr. HANSON (York-Sunbury): Not confusing. You are taking it away from them.

Mr. THORSON: We are taking away a name that is appropriate to the activities which our department is seeking to promote.

Mr. HANSON (York-Sunbury): At a salary to the director of $400 a month and expenses.

Mr. THORSON: We combed the whole country; and you can ask almost any woman you like who understands working in communities, and you will find the most wholehearted approval of the appointment of Mrs. West and Miss Held.

Mr. LOCKHART: What is the assistant paid?

Mr. THORSON: I believe it is $3,000.

Mr. MacNICOL, And expenses.

Mr. THORSON: Travelling expenses.

Mr. MacNICOL: How much?

Mr. THORSON: Actual out-of-pocket expenses.

Mr. MacNICOL: I do not see how you can expect the ladies to work under a couple of paid officials like these.

Mr. THORSON: They are not going to work under these officials.

Mr. HANSON (York-Sunbury): These officials will direct them.

Mr. THORSON: They will not direct them either; they will give guidance and encouragement. The whole basis of the community solidarity set-up of women's voluntary services is that it shall spring from women in the community.

Mr. MacNICOL: It had already sprung from them.

Mr. THORSON: No. This particular organization which my hon. friend mentions is not using the organizations that are in the

community. It rejects a number of them and does not want to have anything to do with some of them.

Mr. LOCKHART: Which ones?

Mr. THORSON: The social agencies and the social welfare organizations are the heart of the community, and you cannot have a community organized on the basis of community solidarity if you exclude the persons who are interested and concerned in that part of the community which is in need of social aid. They are an essential part of any community solidarity set-up. The reason is that you cannot have a sound community development, you cannot have integrity of the community, without looking after all the people in the community and seeing that those in need of assistance get it in times of war as well as in times of peace.

Mr. FRASER (Peterborough West): And that is exactly what this organization has done.

Mr. THORSON: This organization is not interested in the social welfare agencies. It is working apart from them, and our view of community solidarity is that all organizations in the community must be taken into account. The social agencies are not approved by this organization, and that is one of the reasons why I am of opinion that the views of this organization are opposite to the views that actuate the division of my department.

Mr. MacNICOL: The division of your department; that is another thing altogether.

Mr. THORSON: That is one of the reasons for that statement. I do not know that there is more to add to what I have said. There is a field for this organization, and we welcome all organizations; but there is no need for an additional national organization, or a provincial organization which will become national. Effective work will be done in the community. I move that the committee rise, report progress and ask leave to sit again.

Mr. HANSON (York-Sunbury): The minister has occupied all the time until 11 o'clock, but there is another side to the story and it is too late now to put it on the record. These ladies were in the field before the minister and his department ever took any action in the matter. It goes back to 1939 when Miss Hyndman and Senator Fallis—

The CHAIRMAN: There is a motion before the chair which is not debatable.

Mr. HANSON (York-Sunbury): We will hear about it to-morrow.

44561—182½

Progress reported.

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

Friday, May 29, 1942

The house met at three o'clock.

UNEMPLOYMENT INSURANCE

AGREEMENT BETWEEN CANADA AND THE UNITED STATES FOR COORDINATION OF CONTRIBUTIONS AND PAYMENTS

Hon. HUMPHREY MITCHELL (Minister of Labour): For the information of hon. members I table copies in English and French of an exchange of notes between Canada and the United States as to an agreement respecting Unemployment Insurance. The object of the agreement is to ensure that application of Canada's unemployment insurance law and similar laws in the various states of the United States shall be coordinated so that duplication of contributions in respect to the same services and duplication of insurance payments with respect to the same period of unemployment may be avoided. The agreement became effective on April 12 last.

CANADIAN FORCES

INEQUALITIES IN RATES OF PAY AND ALLOWANCES

On the orders of the day:

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): Yesterday the hon. member for Broadview (Mr. Church) referred to myself in connection with a question dealing with the inequalities of pay and allowances of the three branches of his majesty's forces. Obviously that has nothing to do with my department, but I shall be very glad to direct the attention of the three ministers concerned to the question.

THE MINISTER OF JUSTICE

PRESS REPORT AS TO LETTER TO SECRETARY OF QUEBEC EAST LIBERAL CLUB

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to ask the Minister of Justice whether the letter appearing in to-day's press and reported to have been written by the minister to M. Harvey, secretary of the Quebec East Liberal Association, was in fact written by him. If so, may I ask him if he was reflecting government policy when he stated:

There is no intention for the time being to bring in conscription for overseas service.

May I also ask him to explain what he meant by the statement that he—"would be true to Mr. King as long as he was true to himself and to his record."

Hon. L. S. ST. LAURENT (Minister of Justice): I did not write any letter to Mr. Harvey, but I did write to one Mr. Hawey, secretary of the Liberal club in the constituency of Quebec East. I have not seen it in the press. However, the phrases read by the hon. leader of the opposition sound like a correct translation of what I wrote. I expressed to the secretary of this club my own opinion as to what the situation was.

Mr. HANSON (York-Sunbury): That is not an answer to the question. I asked, was that a reflection of government policy, and what did the minister mean by the second statement?

Mr. ST. LAURENT: I stated to the secretary of this club my opinion of the situation and of the purport of the bill before this house.

DISTILLING INDUSTRY

CONVERSION TO PRODUCTION OF ESSENTIAL WAR MATERIALS

On the orders of the day:

Mr. G. T. FULFORD (Leeds): I should like to inquire whether the government has considered the advisability of converting the entire distilling industry from liquor to alcohol for the production of butadiene rubber or other essential war materials?

WHEAT

AGREEMENT WITH WHEAT BOARD FOR FURTHER PURCHASES BY GREAT BRITAIN

On the orders of the day:

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I wish to make a brief announcement. The Ministry of Food of the United Kingdom has entered into another agreement with the Canadian wheat board to purchase Canadian wheat. The new contract, like the last one in November 1941, is for 120,000,000 bushels. A similar announcement is being made at this time in the British parliament.

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

Mr. MacKINNON (Edmonton West): I wish to add a brief comment. This purchase is on the basis of futures, October and December. We have renewed our request to the British Ministry of Food that we be authorized to make the actual price figure available to the house. To this request we have had a cable to the effect that consideration is being given to the matter, and we will be advised.

I should like to add that the outward movement of Canadian wheat and flour from August 1, 1941, to April 30, 1942, was 168,500,000 bushels, which is 28,250,000 bushels, or 20 per cent, above the 1940-41 figures for the same period. With a continuation of the present rate of disposition for the remainder of the crop year, there is every likelihood of a reduction of about 100,000,000 bushels in the Canadian wheat carryover at July 31, 1942, as compared with July 31, 1941.

Mr. COLDWELL: Now that the former contract has been completed and a new one negotiated, could the minister tell the house what was the price under the former contract?

Mr. MacKINNON (Edmonton West): In our request to the British Ministry of Food to be allowed to announce the price under the new contract, we also asked that we be allowed to announce prices under preceding contracts.

POSSIBLE EFFECT OF OUTWARD MOVEMENT ON QUOTAS ACCEPTED FROM FARMERS

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): May I ask the minister whether or not, if the present movement of Canadian wheat across the water continues at the rate at which it has proceeded during the past few months, that will make any difference in the quotas of wheat that will be accepted from the farmers this year?

Mr. MacKINNON (Edmonton West): That will depend entirely upon crop conditions as they become apparent a little later. It is impossible to estimate the crop exactly, or to forecast what the quotas may be, until we see the nature of the crop and the distribution of growth throughout western Canada.

INCOME AND CORPORATION TAX

INQUIRY AS TO PROCEDURE FOR APPROVAL OF CONVENTION AND PROTOCOL WITH UNITED STATES

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I wish to direct a question to the Minister of National Revenue arising out of a notice of motion which appears in the *Votes and Proceedings* of to-day, in which he proposes to move that parliament approve the convention and protocol entered into by Canada with the United States concerning

rates of income tax upon non-resident individuals and corporations, and related matters.

First, have the convention and protocol been approved by the congress of the United States? Second, have the convention and protocol been printed and distributed to hon. members so that they may have the benefit of studying them in advance of any discussion that may arise on the resolution? I recall that just one copy was laid on the table; I understand it was not printed, I think it should be printed and distributed. It is not long, and the cost would not be great.

Hon. C. W. G. GIBSON (Minister of National Revenue): I understand the agreement is coming up before the senate of the United States, probably to-day. It was expected to come up yesterday, but it was not reached. The agreement has been printed in both English and French, and it will be available to hon. members.

Mr. HANSON (York-Sunbury): It should be sent to hon. members.

PRIVATE BILLS

PROCEDURE IN DIVORCE LEGISLATION

On the order for second reading of senate bills:

Mr. SPEAKER: By arrangement it was agreed that private bills should be taken first to-day. A large number of divorce bills appear on pages 16, 17, 18, 19 and 20 of the order paper. Two of the bills on the list are not divorce bills. If it is the pleasure of the house I will call all the divorce bills together.

Mr. M. J. COLDWELL (Rosetown-Biggar): I am going to repeat the protest we have made each year when this procedure has been followed. If this were not a time of war we would insist that these bills be read and adopted separately, not because we are opposed to divorce but because we are opposed to this method of dealing with divorce cases. The thing is both a tragedy and a farce. Here we have a long list of bills to be considered and given second reading together, and I suppose very few members of the house know anything whatever about them. It is true that a small committee of this house gives these bills a cursory examination after a senate committee has looked into them. It is a blot upon the entire institution of parliament and the alleged progressiveness of a civilized country such as this that we should deal in this way with the dissolution of marriage. It is a grave responsibility for members of this house to assume. We undertake it lightly, and it becomes simply a formality. I want to protest against it as strongly as I can, and to reassert our belief that this is a matter which ought to be decided by the courts after proper inquiry into the grounds submitted for the dissolution of the marriage. If the present laws are inadequate, with regard to grounds and other matters, then the laws should be amended in order to modernize our whole procedure in this very grave matter.

I just want to add that if I am here when peace returns, I shall feel it my duty to see to it that each of these bills is read separately and every item of the bills discussed on the floor of the house. The sooner we get some agreement with the provinces concerned with regard to the granting of divorces, the better it will be for the good name of this parliament and of this country.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, there is a good deal to commend in certain portions of the remarks of the hon. member for Rosetown-Biggar (Mr. Coldwell). To lump these bills together and pass them en bloc is, of course, just a vacation of the functions of parliament. At the same time we are endeavouring to conserve time, and perhaps no great harm is being done.

The whole thing comes back to the underlying procedure. These bills should not be here at all. Parliament has gone part way; we have arranged to set up divorce courts in certain jurisdictions in this country where there were no divorce courts in days gone by. In other jurisdictions there were divorce courts; we never had divorce bills from my own province, for instance. But parliament should go the whole way. I do not see how anyone could object to the establishment of divorce courts in certain jurisdictions in this country, instead of continuing the present system, under which these bills go through as a matter of course and, in my view, in many instances without being properly considered. Certainly no attention is given to them in this house, and I doubt very much if attention is given to them in the private bills committee. I have not been a member of that committee for many years, but if any attention is given to them at all I think it must be just a matter of form. Occasionally a fight develops in connection with some particular case, where interested parties come, meet the members and put forth their points of view. Under such circumstances a fight will sometimes develop.

But this principle, this whole system, is wrong. The time of parliament should not be

taken up with the consideration of bills of this kind. We delegate many matters to the courts. We delegate questions of contested elections to the courts. We have gone part way in respect to jurisdiction concerning divorce. Parliament should go the whole way, and the government should step in and give a lead in that policy.

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, I wish to join my leader in expressing my strong disapproval of disposing of these bills in this way, and of dealing at all in the House of Commons with divorce cases, either singly or in bulk. I understand there are divorce courts in most of the provinces—in fact, in all of them except two. Surely divorce courts might now be set up in those provinces, and thus remove a blot upon the functions of this parliament.

To-day we have this situation: A number of public bills have been passed over for several sessions of parliament. There stands on the order paper in my name, a bill which was introduced in 1940. It has appeared on the order paper at each session, and has been laid aside. Yet that bill is one of great public importance, because it has to do with the health of the people of this country. The domestic difficulties of individuals which result in divorces are not matters of any concern to the rest of the people of Canada. It is their own business. Let them go to the usual places, namely the courts of law, and there settle their differences. I must object most strenuously to the setting aside of bills of great importance to the people of Canada while we rush through the passage of a large number of divorce bills.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, it is our own fault if we are looking into these cases. In the committee we have a pile of divorce bills a foot high, and when you have read one you do not want to read any more. But we should not open the door wider for those who wish to get out of marriage wedlock, unless we narrow the door through which they come. If a young couple have a cigarette lighter, a little car and a rented suite, I suppose the leader of the opposition would say they have a perfect right to get married.

I would like to see the upper house take the whole marriage question into consideration. It should discuss how, when and under what conditions young folks may be married, so as to build up a stable and Christian home. They should have something to build on. But if we open the door and let them out easy, then we let them in easy as well. The whole matter should be discussed and legislation introduced. Not only should the divorce question be thought out and laws enacted, but there should be reconsideration of the marriage law as well. Get married in a hurry, love for a little while and away they go. That is not the way to build up a Christian home in this Canada of ours, because the Christian home is the bulwark of Canadian citizenship and of civilization generally.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, on several occasions hon. members in this corner of the house have voiced sentiments which seem to be in perfect harmony with expressions of opinion this afternoon by hon. members who have spoken. I was somewhat alarmed when it was announced by Mr. Speaker that by special arrangement these bills were to be placed before us this afternoon, and that they are to go through all together. I was not aware of that arrangement having been made, but perhaps that is my fault. I suggest, however, that we should have some little notice when such action is to be taken, because in the minds of some there may be the necessity of discussing one or more of these bills.

In my short experience in attending six regular sessions of parliament I have not yet heard a discussion of one of these divorce bills, taken by itself. I suppose the reason is that we have reached a point in parliament where divorce bills are just ground out from the mill. A certain procedure, which has become more or less stereotyped, has been followed. One reads the evidence of one case, and he has the facts of almost all of them, because they are all about the same.

Nevertheless, having read the evidence in some of these cases, I am a little disturbed at the almost exactly similar way with which each is dealt. It is disturbing to me, because I cannot help thinking that people are commencing to know the way to get a divorce, if they want one. I protest against that.

I do not know if I should say anything respecting the difference between the senate divorce committee and courts of law. I do not know personally the gentlemen comprising that committee. Perhaps some of them are lawyers, but I do feel that a court judge, with his knowledge of court procedure and his examination of evidence, is more competent and more fully qualified to deal with divorce.

I agree with other hon. members in the view that we have reached the point in our history where, in my opinion, the province of Quebec should take the lead in the matter of referring its divorce bills to a proper court of law. What is to be the procedure with respect to these fifty-one divorce bills? Are they to go through now, all together?

Mr. MACKENZIE (Vancouver Centre): No.

Mr. HANSELL: Do I understand we are to go into committee, and that each one will be placed before the committee?

Mr. SPEAKER: They will be referred to the committee on private bills. Is it the pleasure of the house to adopt the motion?

Mr. LaCROIX (Quebec-Montmorency): On division.

Mr. J. SASSEVILLE ROY (Gaspé) (Translation): Mr. Speaker, I cannot let this entire series of divorce bills be carried through without voicing my opposition to so reprehensible a practice. Like the hon. member for Parkdale (Mr. Bruce), I believe that parliament is not qualified to pass judgment in such matters of private interest. They should be referred to the courts of those provinces who wish to legislate on the dissolution of marriage. At any event, as Catholics, we are absolutely opposed to divorce because it is contrary to the fundamental principle of Christian ethics. The fact that parliament is called upon to decide in these divorce cases places us in a very false position, as everyone understands. For us, therefore, the principle of divorce is reprehensible, and that under which the House of Commons is called upon to pass a whole series of divorce bills without knowing any of the reasons brought forth to substantiate these petitions, is an even more reprehensible practice and one to which I must voice my opposition.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, I fully share the views expressed by the hon. member for Gaspé (Mr. Roy), and I myself cannot refrain from protesting vigorously against the wholesale carrying of these divorce bills. Divorce is reprehensible in its very essence. On behalf of my electors and in the name of the great majority of the citizens of my province, I wish to protest once more against the carrying of these bills.

Mr. ALPHONSE FOURNIER (Hull) (Translation): Mr. Speaker, I listened attentively to the remarks just made on this divorce question by the two French-speaking members who preceded me. Briefly, here is the procedure followed in the matter: A petition is addressed to the senate with a view to obtaining a bill of divorce. Witnesses are called before the senate divorce committee. The two parties can be represented by counsel and have their witnesses testify. The senators decide whether or not there are sufficient grounds or evidence of adultery, and they grant or refuse the divorce. These bills then come before the House of Commons, where they are read a first and second time. They are then referred to the private bills committee for consideration, one by one. Returning once again to the house, they are read and considered in committee of the whole, section by section. There is no limit set to their discussion. Then, after a third reading, these bills become law.

In the province of Quebec, almost everyone is opposed to divorce. All Catholics oppose it without exception. The procedure followed in Quebec is one that makes it extremely difficult for the citizens of that province to obtain a divorce; indeed, our legislators believed that the biggest obstacle to divorce they could find was to require the passing of a special act by the dominion parliament. If my hon. friend from Gaspé (Mr. Roy) will only consult the religious authorities in his riding, he will be informed that the clergy of the province of Quebec is opposed to the establishing of divorce courts there. At least that is the opinion of those to whom I have broached the matter.

A divorce case is dealt with by a court like any other case. Divorces are sometimes granted in other provinces in the brief space of fifteen minutes. If the case is ex parte, the judge only hears one side of the story, sometimes only one witness, before granting the divorce at the same sitting. In the province of Quebec, we believe that we can never make the securing of divorces difficult enough, because we do not recognize the principle on which divorce is based, and rightly so to our way of thinking. I should be very astonished to learn that members from other provinces intended to impose in the province of Quebec, which desires only to maintain the status quo, a system of divorce courts such as they have in their own.

I did not intend to speak on this matter to-day, otherwise I might have brought with me quotations to establish that, in the past, the attitude I have taken has always been that of Catholic representatives of the province of Quebec. And I hold the conviction that we must, as Catholics, insist on the maintenance of the present procedure for obtaining a divorce. We are being asked to allow the second reading of these bills as a whole, but it is not on second reading that their consideration in detail may be undertaken. We are discussing the principle of these bills, but it remains for the private bills committee and the committee of the whole to discuss each case on its merits. I am irrevocably opposed

to divorce and as long as I retain a seat in this house, I shall do my best to make the securing of them as difficult as possible.

SECOND READINGS

Bill No. 20, for the relief of Eleanor Adele Rea Barrett.—Mr. Bercovitch.

Bill No. 21, for the relief of Eleanor Edith McKechnie Barlow.—Mr. Whitman.

Bill No. 22, for the relief of Dorothy Agnes Henrietta Russell Cantlie.—Mr. Whitman.

Bill No. 23, for the relief of Irene Coadic Murphy.—Mr. Hill.

Bill No. 24, for the relief of Lester Lewis Catchpaw.—Mr. Davidson.

Bill No. 25, for the relief of Annie Ruth Fisher Allen.—Mr. Hill.

Bill No. 26, for the relief of Alice Adelia LaFleur Johnston.—Mr. Bercovitch.

Bill No. 27, for the relief of George Webb.—Mr. Boucher.

Bill No. 28, for the relief of Edith Morgan Black.—Mr. McIlraith.

Bill No. 29, for the relief of Betty Leah Bregman Beloff.—Mr. Whitman.

Bill No. 30, for the relief of Malca Levitt, otherwise known as Atty Malcy Levitt.—Mr. Bercovitch.

Bill No. 31, for the relief of Jack Simon.—Mr. Bercovitch.

Bill No. 32, for the relief of Marie Louise McCarthy Smyth.—Mr. Boucher.

Bill No. 33, for the relief of Marie Glenna Grace Thomas Reynolds.—Mr. Hill.

Bill No. 34, for the relief of Isabel Jessica Black Jolley.—Mr. Abbott.

Bill No. 35, for the relief of Margaretha Elisabeth Buck Peereboom.—Mr. Bercovitch.

Bill No. 36, for the relief of Ethel May Marshall James.—Mr. Bercovitch.

Bill No. 37, for the relief of Anastasia Tkaczuk Wojtkowycz.—Mr. McIlraith.

Bill No. 38, for the relief of Phyllis Wilda Valentine Park Evans.—Mr. Abbott.

Bill No. 39, for the relief of Louise Mehliss Jackson.—Mr. Bercovitch.

Bill No. 40, for the relief of Bertha Beatrix Berlind Ripstein.—Mr. Boucher.

Bill No. 41, for the relief of Lola McIntosh.—Mr. Macdonald (Brantford City.)

Bill No. 46, for the relief of Stella Kathleen Marguerite Winnall Barwick.—Mr. Hazen.

Bill No. 47, for the relief of Joyce Elizabeth Blackburn Gordon.—Mr. Hanson (Skeena).

Bill No. 48, for the relief of Kate Elizabeth Laidlaw McNiven.—Mr. Abbott.

Bill No. 49, for the relief of Margaret Livingstone Turnbull Woodard.—Mr. Boucher.

Bill No. 50, for the relief of Dorothy Sunsheine Steirman Cooke.—Mr. Bercovitch.

[Mr. A. Fournier.]

Bill No. 51, for the relief of Doris Golt Rosner.—Mr. Bercovitch.

Bill No. 52, for the relief of Anna Pohopoluck Yacobchak.—Mr. Hazen.

Bill No. 53, for the relief of Myer Levine.—Mr. Hazen.

Bill No. 54, for the relief of George Sutherland Cameron, junior.—Mr. Bercovitch.

Bill No. 55, for the relief of Fred Catlow.—Mr. Hill.

Bill No. 57, for the relief of Mary Celina Broadhurst LaRose.—Mr. Macdonald (Brantford City).

Bill No. 58, for the relief of Elsie Epstein Cohen.—Mr. Casselman (Grenville-Dundas).

Bill No. 59, for the relief of Gertrude Pelletier Patenaude.—Mr. Boucher.

Bill No. 60, for the relief of Marieatt Venditello Diano.—Mr. Gray.

Bill No. 61, for the relief of Edna Annie Heazle Constable.—Mr. Boucher.

Bill No. 62, for the relief of Dorothy Reed Cushing.—Mr. Boucher.

Bill No. 63, for the relief of Sarto Desnoyers.—Mr. Bercovitch.

Bill No. 70, for the relief of William Milroy Davidson.—Mr. Bercovitch.

Bill No. 71, for the relief of Audrey Meredith Mann Harrison.—Mr. Bercovitch.

Bill No. 72, for the relief of François Henri Drack.—Mr. Bercovitch.

Bill No. 73, for the relief of Gladys Irene Dale Weston.—Mr. Hazen.

Bill No. 74, for the relief of Ruth Ufland Fishman.—Mr. McIlraith.

Bill No. 75, for the relief of Norma Brown Stevenson.—Mr. Claxton.

Bill No. 76, for the relief of Mary Cummings Bullock.—Mr. Whitman.

Bill No. 77, for the relief of Elizabeth Gertrude De Serre Gould.—Mr. Bercovitch.

Bill No. 78, for the relief of John Clifford Stanley Darbyson.—Mr. Bercovitch.

Bill No. 79, for the relief of Celia Reynolds Schellenberg.—Mr. McIlraith.

FIDELITY LIFE ASSURANCE COMPANY

Mr. D. A. McNIVEN (Regina City) moved the second reading of Bill No. 69, to change the name of the Saskatchewan Life Insurance Company to Fidelity Life Assurance Company.

Hon. R. B. HANSON (Leader of the Opposition): I think we ought to have some statement from the sponsor as to why this company is discarding its name. Is there anything significant in the change? I have no objection to their changing their name, since "a rose by any other name would smell as sweet". Is there any other "Fidelity" insurance company? There is a fire insurance

company known as the Fidelity-Phoenix, but I do not suppose there would be any danger of confusion on that account. What is the real reason for the change?

Mr. CRUICKSHANK: To keep track of the wheat board.

Mr. HANSON (York-Sunbury): Is this a pool organization?

Mr. McNIVEN: The Saskatchewan Life Insurance company was incorporated by this parliament some fifteen or eighteen years ago and has been carrying on a life insurance business since that time, largely in Saskatchewan. They have now branched out and are going into some of the other provinces and may subsequently go into other countries. Therefore the management of the company felt that it would be wise to have a name of wider application than the name of one of the provinces. In making this change the officers and directors of the company have no intention or desire—nor would they if they could—to reflect in any degree upon the fair name of the province of Saskatchewan. In fact the management of the company has so conducted its business, and will continue to conduct its business in the future, in such a way as to be a credit to Saskatchewan.

The leader of the opposition (Mr. Hanson) has made reference to a possible conflict between the name chosen and the names of other companies. I am given to understand that prior to selecting this name the management submitted five names to the superintendent of insurance, who selected from the five the name "Fidelity" as being best applicable to the purposes and objects and scope of business contemplated by this company. So far as I know there is no company carrying on a life insurance business that uses the name "Fidelity". I believe there was a company incorporated some twenty odd years ago by this parliament for the purposes of carrying on the business of fire insurance, but up to the present time it has not carried on business. Then of course there is a company incorporated as the Fidelity and Casualty Company of New York. But with a full knowledge of all these matters and of all the possibilities that have been indicated by the leader of the opposition, the superintendent of insurance approved this name, and gave evidence to that effect before one of the committees of the other house, where the matter was fully debated.

Motion agreed to and bill read the second time.

CANADIAN DENTAL ASSOCIATION

Mr. G. J. McILRAITH (Ottawa West) moved the second reading of Bill No. 42, to incorporate the Canadian Dental Association.

Some hon. MEMBERS: Explain.

Mr. McILRAITH: The Canadian Dental Association has been in existence as an unincorporated association since 1902. At the present time it has a membership of about 4,000. The dental profession is incorporated in each of the provinces, and each of the provincial incorporated associations has knowledge of the bill now before the house. The objects of the association are set out in section 2 of the bill. They are as follows:

(a) To cultivate and promote the art and science of dentistry and all its collateral branches, and to maintain the honour and interests of the dental profession;

(b) To conduct, direct, encourage, support or provide for exhaustive dental and oral research;

(c) To elevate and sustain the professional character and education of dentists;

(d) To promote mutual improvement, social intercourse and goodwill among members of the profession;

(e) To enlighten and direct public opinion in relation to oral hygiene, dental prophylaxis, oral health and advanced scientific dental service;

(f) To disseminate knowledge of dentistry and dental discoveries;

(g) To have cognizance of and safeguard the common interests of the members of the dental profession;

(h) To publish dental journals, reports and treatises;

(i) To do all further or other lawful acts and things as are incidental or conducive to the attainment of the above objects.

Actual licensing and control of qualifications for the practice of the profession are, of course, left with the provincial associations. The bill is modeled after the act incorporating the Canadian Medical Association, which is chapter 62 of the statutes 8-9 Edward VII. The bill before us follows the scheme of that act very closely In case any members are interested in checking the matter, I might add that the Canadian Bar Association Act, chapter 79, 11-12 George V, follows substantially the same scheme.

Motion agreed to, and bill read the second time.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, May 28, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting

to his majesty aid for national defence and security—Mr. Ilsley—Mr. Fournier (Hull) in the chair.

Mr. CLAXTON: Mr. Chairman, this committee has spent some time in a discussion of man-power and allied questions. I propose to raise a question of the greatest possible importance in the war effort. I refer to another branch of the minister's department, the bureau of information, and the work it carries on.

It is perfectly obvious that our enemies have taught us a great deal about the power of propaganda and the power of information. They have used it as one of the weapons of war, and although we have a better cause and better institutions we have been slow to make the utmost use of this weapon. It is clear that men buy bonds, make munitions, enlist, fight bravely, bear misfortune, have faith in victory, and give the last ounce that is in them because of their ideas and feelings, but it is particularly true of a country like Canada that it requires an effort of the imagination for the people to understand that this is our war, and an effort of the imagination and knowledge and understanding to appreciate that the best place to defend Canada may be ten thousand miles from our shores, and that the defence of Canada is not the same thing as defence in Canada.

This subject can be considered from three points of view. First, there is the operation of enemy propaganda and counter-propaganda on the enemy and to encourage the people in the occupied countries. Canada can only contribute to the counter-propaganda against the enemy in conjunction with the others of the united nations. Second, there is the use of information to inspire our own people to greater efforts, and I think this committee and this house might quite properly spend some time considering how that can best be done. I propose to limit my present remarks to a third aspect of propaganda, and that is the aspect of our relations with the United States, with our friendly allies, and to discuss how these relations can be improved.

This question has been raised in the house once or twice before, but so far as I am aware it has never been discussed at length. I bring it up now because I have a large number of American friends whom I have seen very frequently since the outbreak of war in the United States and Canada, and I hear them say, with others who have had a similar experience, that we should do more to make our story known in the United States. I think I express the view of every member of this house and of the great majority of the people of Canada who know anything about it when I say that we should be doing more to make our story known in the United States and to cultivate the best possible relations with her, in the belief that our relations are founded on understanding, and that understanding is founded on knowledge. Persons in the United States say to me when this matter comes up: "Why on earth do you not do more to make the magnificent record of Canada known over here? Why aren't you doing something about it?"

We started the war with every possible advantage. Canada and the United States were the most friendly nations on the face of the earth. The relations between Canada and the United States were closer than those of any other two nations, they were more cordial than those of any other nations. We did not regard the Americans as foreigners, and they did not regard us as foreigners. The relations between Canada and the United States were, as Bruce Hutchison has said, founded on "nature, history, geography, necessity and men's hearts".

It is not too much to say that the whole structure of British-American and allied cooperation was begun in the declarations of President Roosevelt and Mr. King at Woodbridge and Kingston in 1938, continued through the Ogdensburg declaration of 1940 and the Hyde Park agreement of 1941, and it is no detraction from the magnificent work of President Roosevelt and Prime Minister King to say that the basis for those agreements and for that whole structure of cooperation was the friendly relations of individuals in the United States and in Canada.

This relationship between the United States and Canada has enabled the two countries to cooperate more closely than any two nations have ever done before. We know that in the President of the United States we have a great friend; we know that with the members of his administration Canadians have the closest possible relationship and cooperation. But with President Roosevelt we want to have as friends also the 130,000,000 people who will elect President Roosevelt's successor.

This question is important; it is particularly important now, when we are partners in the greatest adventure the two nations have ever undertaken, and it will continue to be important because the two nations must go down the years together. The future of Canada is bound up in the future of the United States, since we both occupy this north American continent together. Never before has it been more necessary, never before has it been more important, that Canada and Canada's position, work and achievements should be properly

understood in the United States. Yet at the present time the ordinary contacts of United States and Canadian citizens are being curtailed by the necessities of war. Last year 14,000,000 United States citizens visited Canada. In ordinary years many hundreds of thousands of Canadians visit the United States. But these exchanges of visits, which produced closer personal relations than have existed between two peoples, are being curtailed because of exchange restrictions, passport and visa requirements, exit permits, and now travel restrictions with regard to gas and rubber. I suggest that we need to watch the undefended boundary line to make sure it does not become a frontier. We need to set a guard not on the border but on our actions to see that measures which may be considered necessary for some immediate purpose do not do far more harm than good in the long run to the friendly relations of the two countries.

Another reason why this matter is pressing now is that the United States itself is, naturally, becoming concentrated on its own war effort, and it will become interested in our work and achievements only in so far as they are news and in so far as that news is promptly presented to the United States.

A third reason is that we know that the enemy is seeking to divide the united nations everywhere he can. I could show you, if I took the time, clippings from United States newspapers indicating a close relationship, much closer than could be accounted for by mere coincidence, between enemy shortwave broadcasts, and the line taken in them, and the line taken in some papers published on this continent. If we do not do enough we shall leave a vacuum into which lies and rumours flow. Where our story is not told there is fertile soil for misunderstanding and rumours. We have seen instances of this. Last year, you will remember when there was a debate in the United States Congress on lease-lend, it was suggested that the Canadian people got cash on the barrel-head for everything they gave to Britain. That story was started and it has been difficult to catch up with. When our friends in the United States learn the extent of Canada's contribution of men—150,000—overseas, and when they think of the United States equivalent, they are amazed. When they hear the full extent of what we have done, I have found that there is a feeling almost of resentment at their not having been told the full story.

I do not suggest that our government should undertake anything in the nature of propaganda or high-powered publicity service. What I do suggest is that we should provide machinery for supplying news, because facts burn up rumours and prejudice as the sun burns up fog. I suggest that there is need of that shown even to-day. In the New York *Herald-Tribune,* a newspaper friendly to Canada, in a recent number following the plebiscite, two United States senators were quoted. One said he was disappointed that "so many people in Canada do not realize the seriousness of this war." Another said he was "glad to see that Canadians had voted to get into the war as we are." I do not suggest that these honourable gentlemen are representative of their people in their lack of knowledge, but it indicates a serious situation when two senators have such a small knowledge of what we are doing as to make statements of this kind. I may tell the committee that in this article those statements are used as a peg on which to hang an exceedingly complimentary and favourable story of what we are doing in the war.

This question has received a good deal more attention in the press of Canada than it has in this house. I suggest that if anyone should know what the true position is, and what the importance of the question is, it is the press of Canada, because they see the United States papers; they clip articles from them; they have contact with the United States press; they know what can be done, and they have a very strong feeling as to what should be done.

I hold in my hand a large number of clippings from Canadian papers expressing their view of this question. The Ottawa *Journal* says:

> There can be little doubt that Canada has suffered considerably in the United States through lack of any coordinated effort on our part to let the American people know what we are doing.

The Toronto *Globe and Mail* says:

> The lack of knowledge in the United States concerning Canada's effort has been exploited by the isolationists with substantial effectiveness.

The Saint John *Telegraph-Journal:*

> We have still a long way to go before our system of information, especially to our American cousins, is satisfactory.

The *Family Herald and Weekly Star:*

> Canada continues to receive a bad press in the United States, and it is high time something was done to tell the American people our story.

In an address delivered before the Canadian club of Montreal, Sir Willmott H. Lewis, Washington correspondent for the London *Times,* said:

> There is not enough Canadian publicity in the United States or in the other American nations. . . .

The Montreal *Standard* says:

Most people in the United States at the present time have no conception of the part Canada is playing in this war.

And again:

Canada is falling dangerously in the esteem of the American people because of the poor impression they have of our war accomplishments.

From the Montreal *Star:*

We have on several occasions advocated an organized campaign to make the details of Canada's war effort more widely known throughout the United States than they are.

From the San Francisco *Chronicle:*

The result—

That is, of our failure to give information.

—is that a great and vital story, as vital to us and our way of life as to Canada's goes untold.

It continues:

That is why we wish our Canadian friends were not so gun shy about propaganda. There should be official, recognized agencies of information, telling us at least as much about what the people next door are doing in their war, and our war, as we know from overseas.

From the Minneapolis *Star-Journal:*

Doubtless Canada has been reluctant to carry on in the United States any thorough and systematic effort to make Americans better acquainted with her, lest she be suspected of propaganda for some ulterior purpose.

But it would be a service to Americans if she would do so. It would help to end misconceptions, and to make honest differences of opinion debatable as between friends, not strangers.

The United States and Canada are going to be more and more important to each other, whatever happens in the world. The better they know each other, the more harmoniously they can work together for the good of both.

Then from the *Daily Star,* Windsor, Ontario:

The American people are actually anxious to hear about Canada's war effort. This is a fact that we have been stressing for some time. It has taken certain persons in authority much too long to realize its truth.

The result has been that, because of timidity about spreading propaganda, Canada has suffered a volume of unjustified criticism.

From the Vancouver *Sun:*

Canada has been so diffident or incompetent about giving Americans the facts that the Minneapolis *Star-Journal* finds its readers pitifully ignorant about the whole Canadian situation. Some of them, says the *Star-Journal,* think that Canada is a dependency of Britain, paying taxes to the British treasury.

The Winnipeg *Free Press,* commenting on this, says:

The need for an alert, full-time Canadian information bureau in the United States has been apparent for a long time.

And they refer to these United States editorials.

What I suggest is that we should tell our story. No one else is going to do it for us. If I may make a constructive proposal it would be that we should have an office in New York. Hon. members may ask, why New York? New York is the centre of publicity, of writers, publications, the publishing business, columnists and radio. It is the place where the people who give the news get the news. This office should be staffed by a small number of people, exceedingly good people, including, in particular, one who would be by experience and qualification well able to meet with Americans and deal with United States publicity agencies. We all know the importance of personal contacts; that there is no field in which personal contacts are more important than this field of public relations. This individual should be a person who knows how public opinion is formed; he should be a Canadian who is in some way representative of the young people of Canada who are fighting overseas.

Mr. REID: What would be the hon. member's view as to choosing from the press of Canada a body of men to handle our news, men who have had life experience in publicity?

Mr. CLAXTON: We have in Canada an able group of pressmen, and I would think that if one or more of them could be attached to this work in the United States it would be very useful. The person whom I have in mind to head the office in New York would not necessarily be a pressman, although he might be one who had had journalistic experience. He would have to be one who is alert to the needs of the modern press. He would have to have the kind of flair that good journalists have for news and how to get it across. What is needed is not an institution, it is a person. He should be the kind of person to whom Americans who make the news will naturally look for assistance and guidance. He should not try to influence public opinion in the United States directly, that would be fatal; he should try to be useful to the people who make public opinion there. He should see that news about Canada gets to the people who can give it to the American people. It would probably be a mistake to have this office attached to the Department of External Affairs, because our diplomatic representatives are used to a slower and more formal manner of conducting business. They have not the instantaneous quickness on the trigger that is necessary to deal with news on the north American continent. By the time anything gets through the diplomatic channels and the Department of External Affairs to the bureau of public information here, the value of the story would be lost; the front pages would have

moved on to something else. So I suggest that this individual or this office should be attached to the bureau of public information.

Another suggestion is that the minister in Ottawa could work in cooperation with this individual to encourage Canadians who have normal contacts with the United States—and there is a great number of them—to think, when they are making those contacts, of Canada's story and the possibilities of getting it over to the United States. In fact, every hon. member must be a member of some association, medical association, bar association, trades union, having close associations and affiliations with United States associations of the same kind. All of us can use our natural contacts through these associations to bring home to our United States friends nothing but the facts.

Then, referring to the suggestion of the hon. member for New Westminster, it might also be possible to use Canadian journalists who have friendly associations with journalists in the United States. They might visit them from time to time; a man placed in the middle west might visit his opposite number in the United States middle west and maintain friendly associations with him so that when Canadian news comes to him through the ordinary news channels he would interpret it sympathetically and know the kind of slant to put on it.

I also suggest that this development requires a new attitude in Canada, an attitude whereby we recognize the real importance of this subject and do things in a way to make news. The one really first-class news development which has taken place in Canada, and which has had a continuously good press in the United States, is the work of the wartime prices and trade board. This shows what can be done through the use of good publicity and good publicity men. The fact that we have a price ceiling has from the beginning to date been a matter of news and interest and admiration in the United States.

We need better agencies for getting the news from the places where it is made, that is the fighting fronts, or places in Canada where there are news stories, into the hands of United States agencies. As I said to the house some nights ago, there are magnificent stories of Canadian heroism which have not even been told in Canada yet, and which would be just as useful in cheering our United States friends as in cheering our own hearts. We have reached a stage in the war where deeds count much more than words; where propaganda, stories of action, heroism and achievement, count much more than any speech, and our publicity and information service must be geared to the task of getting stories from the places where they are made to the places where they are going to do some good. What I suggest is not a loud-speaker in the United States. What I suggest is a pick-up, if I may use a radio term, at the front where the news is made, and a connecting service through to the loud-speaker, which will be the ordinary United States agency which will use the news, if it is news, in the way that agency sees fit.

This, if I may say so, requires a new attitude on the part of our censors. I believe that ever since the beginning of the war stories that might have thrilled our hearts have been left cooling on the desks of censors, and I suggest that the censorship rules should be overhauled and coordinated, to see what can be let through. If it can be let through, send it through quickly, so that it reaches us while the story is still hot. There are stories to be found and to be told of the work of Canadian soldiers, sailors, airmen, the merchant marine and war industries. They are there to be found by people who have a nose for news. They are there to be written by men who can write in an attractive way, and sent back through improved agencies to Canada and thence to our friends in the United States. It is plain enough from stories like those of Larry Robillard and others that brave men are writing tales of heroism with their lives. The records are there; all that is needed is that the records be given a chance to speak for themselves.

I believe the minister himself, if one may gather from rumours abroad some time ago in the public press, is sympathetically inclined toward this idea. I have made these suggestions in the hope of fortifying his inclination, and I want to express my pleasure at the appointment of Mr. Charles Vining to go to the United States to look into this whole question. He is eminently fitted to do so. He has had journalistic experience; he knows the United States, where he has close connections, and I am sure he can make a report on this subject which will be very useful to the government. Whatever that report may be, I cannot help but express my strong conviction that we must do more to tell our story, or see that our story is told, in the United States. We have friends there who want to help us. We have 130,000,000 friends who want to help us. They want to be given the facts; they ask for them. They believe in us; they want to be given the facts to justify their belief. In the long run, relations between countries depend upon relations between individuals, and our relations with the United States will depend upon the relations between individual Americans and individual Cana-

dians. Out of the last war and our achievements in it Canada achieved a new status and a new standing. I want to see that the exploits of our men in this war stand to Canada's credit also. As Churchill said in 1930, speaking of Canada:

> No state, no country, no band of men can more truly be described as the linch-pin of peace and world progress.

I believe that statement may be made true, but it will not be true unless Canada earns and keeps the respect of other countries; and other countries, particularly our United States friends, will have respect for us if they know that we are pulling our full weight in this joint effort.

There is one other aspect of the matter; that is the effect on our own morale. If we continuously read in United States newspapers and in publications such as *Life*, of the achievements of United States airmen, and we do not see anywhere stories of the achievements of Canadian airmen, then we shall begin to feel that there is something wrong with us. There is nothing wrong with us, but if that continues to happen there will be something wrong with our publicity service. Morale is the most valuable thing in the world, and the least expensive. What more is to be done lies in the hands of the minister and the government, but I have no doubt that the wish of members of this house and of the people of Canada is that something more should be done.

Mr. HANSON (York-Sunbury): I have no intention of following the remarks of the hon. member who has just spoken, because in my view the debate on this resolution should be concluded. But I am wondering why he did not give any expression to the feeling of bewilderment that is very evident in the minds of the people of the United States, as expressed in the public press of that country and by individuals of prominence, owing to the fact that this country, which is professing—and I believe in most ways is endeavouring—to carry out a total war effort, as a matter of fact in one particular feature does not have a total war effort. They just wonder over there, and I have seen expression given to this view on many occasions in many United States publications, how in the world this country can have a total war effort if it does not practise tctal war. There is no doubt that there is a feeling of frustration in the United States with respect to our war effort. They know that our industry is in production; they know that we have a good army overseas and a good army in training in Canada. Yet they know, from their own experience and their own example, that according to their standard Canada has fallen down in one particular feature. There is no doubt about it.

Mr. GOLDING: Do they think that of Australia?

Mr. HANSON (York-Sunbury): Never mind Australia. The United States is our neighbour. They know what we are doing and what we are not doing. In the United States press the plebiscite was greeted as an overwhelming manifestation on the part of the Canadian electors in favour of total war; and when they find that it does not mean total war there is a feeling of bewilderment, to which they have given expression. They will never truly appraise our effort in this war until that position is cleared up.

Mr. THORSON: The leader of the opposition has referred to a view that is widely held in the United States and frequently expressed by the people of that country. I wonder if it is expressed as frequently in the United States as it is expressed by certain persons in Canada. I would suggest to the leader of the opposition that he write to the authorities in Washington and ask them for the results of their draft system, in the number of men actually added to the forces since the draft system for compulsory service has been in effect. Get those figures, and then compare them with the number of men we have added to the strength of our armed forces, and my hon. friend will see the comparison.

Mr. HANSON (York-Sunbury): That is just begging the question.

Mr. THORSON: It is not begging the question at all.

Mr. JACKMAN: Give us the figures.

Mr. THORSON: I am prepared to say we are raising more men proportionately for our armed forces—

Mr. MacNICOL: By coercion.

Mr. THORSON: —by our voluntary system, than the United States is raising at present by its draft system.

Mr. HANSON (York-Sunbury): By the back-door method.

Mr. THORSON: No; by a voluntary method. I do not know why it is that so many people in this country are seeking to decry the value of the voluntary effort.

Mr. HANSON (York-Sunbury): Because of the back-door method.

Mr. THORSON: It is not at all back-door.

Mr. HANSON (York-Sunbury): Certainly it is.

An hon. MEMBER: What was the plebiscite for?

Mr. THORSON: This, however, is perhaps not the debate in which to discuss that particular question.

Mr. HANSON (York-Sunbury): The minister, however, does admit that the condition I have indicated prevails in the United States?

Mr. THORSON: Yes, and prevails from a mistaken view of the facts.

Mr. HANSON (York-Sunbury): Maybe not.

Mr. THORSON: Much of that mistake is brought about by people in Canada who are decrying everything that is of a voluntary nature—

Mr. MacNICOL: But it is not voluntary; you bludgeon them into enlisting.

Mr. THORSON: —and thereby, if I may say so, doing real harm to the effectiveness of our war effort.

I had not intended making any reference to that point. I expect this whole subject will be fully covered in the debate which will take place within the next few days; and in the course of that debate, in as cool a manner as possible, we can deal with the merits or demerits of compulsory service overseas. I think a strong case can be made for the maintenance of the present system, from the point of view of the effectiveness of the war effort of this country. After all, many of us are concerned with an objective, namely the maximum total aid this country can give in the cause of humanity. We are concerned with the effectiveness of the war effort more than with anything else. I think we shall wish to use that method which will make the greatest contribution to the effectiveness of the war effort, from the point of view of reality, and not from that of theory. I believe the debate which will take place, commencing, I hope, next week, will prove a useful forum for getting down to realities in connection with this subject, and go a long way toward dispelling the heat and frenzy that have grown up in many quarters, in some instances fomented and in other cases as opinions honestly held. We can deal with that question on its merits or demerits.

It was not I who introduced this question directly, but—

Mr. HANSON (York-Sunbury): Before the minister leaves the matter of public information, might I ask, what are the functions of Mr. Paul Reading at Washington.

Mr. THORSON: Mr. Paul Reading is attached to the office of the legation which, in turn, is under the jurisdiction of the department of the Secretary of State for External Affairs. I believe his official title is that of press attaché to the legation at Washington.

Mr. HANSON (York-Sunbury): But he is publicity man, is he not?

Mr. THORSON: No; I do not believe that would be the correct description of his status; I believe it is that of press attaché. That, however, may have an indefinite meaning.

I should like to extend my sincere compliments and cordial thanks to the hon. member for St. Lawrence-St. George for the thoughtful contribution he has made to the debate. I agree that the information which exists in the United States with regard to the extent and nature of the Canadian war effort is not satisfactory.

Mr. HANSON (York-Sunbury): And never has been.

Mr. THORSON: And has never been satisfactory. At one time, prior to the entry of our great and good neighbour into this conflict, I think the isolationist press in the United States went out of its way to minimize the extent of the Canadian war effort, because the fact that we in Canada had, of our own free will, entered into the war, was the strongest argument against their own position—because we were both north American countries.

Mr. MacNICOL: But we were a British country.

Mr. THORSON: We were both free to participate in the war, or not to participate in it. We were the first of the north American countries to see the issues that were at stake.

Mr. HANSON (York-Sunbury): Oh, well, brush that aside. Did we not enter because this was a British country, and not because we were a north American country?

Mr. THORSON: We entered this war as a principal and on our own account.

Mr. HANSON (York-Sunbury): Yes, and because we were afraid that if the British navy failed, the enemy would be camping on the banks of the St. Lawrence; of course we did.

Mr. McGREGOR: Is there any reason why we should not?

Mr. THORSON: Not at all. I was one of the strongest advocates of our participation

in the war by the side of Great Britain, and on our own account, urging that this country must give its maximum aid in the cause. In that debate I spoke as a Canadian with undivided loyalty to Canada, and I held that attitude.

May I go back to the situation in the United States. Here we were, two north American countries. We recognized the issues involved. We were both isolationist countries.

Mr. MacNICOL: We were no such thing.

Mr. HANSON (York-Sunbury): Let the minister speak for himself.

Mr. MacNICOL: The minister may be.

Mr. THORSON: The majority of the people in Canada, prior to 1939, were strongly of an isolationist view.

Mr. MacNICOL: No, no.

Mr. HANSON (York-Sunbury): No.

Mr. McGREGOR: Speak for yourself.

Mr. JOHNSTON (Bow River): Yes, speak for yourself.

Mr. THORSON: I do not think there was much doubt about that. I am perfectly free to say I was one of those who believed it might be possible for north America to hold itself aloof from the quarrels of Europe.

Mr. MacNICOL: And let the empire go to the dogs!

Mr. THORSON: That view is one that cannot now be held by any thinking person.

Mr. JOHNSTON (Bow River): It never could, not by any thinking person.

Mr. THORSON: It was a view that I had abandoned completely before I took part in the debate on Canada's participation in the war. I saw that no free nation could stand alone in this conflict, that all free nations must unite. During the course of that debate I expressed the view that it would not be long before our great neighbour to the south, in whom the traditions of liberty are deeply ingrained, would enter this conflict. I believe the isolationists thought that Canada's entry into the war was the strongest argument that could be made against their case. If isolationists in Canada could see the light, why should not others who were formerly isolationists also see the light? What the isolationist press in the United States tried to do was to belittle the effort of Canada, and in so doing they received great aid from many Canadian newspapers.

Mr. JOHNSTON (Bow River): What is an isolationist?

Mr. THORSON: I do not think I should begin a course of education for the hon. member for Bow River.

Mr. JOHNSTON (Bow River): It would be interesting to hear your interpretation.

Mr. THORSON: I doubt whether my embarking upon such a course of education for him would have any effect.

Mr. JOHNSTON (Bow River): I doubt it.

Mr. THORSON: We in Canada have been very careful indeed about our relations with the United States. We have treasured our relations with that country and have desired that they should be as cordial as possible. Our two countries are interdependent upon one another; we share similar traditions and our whole lives are based upon institutions inherited in common from Great Britain. We have been very careful not to indulge in propaganda in the United States. I was greatly impressed by one of the statements made by the hon. member for St. Lawrence-St. George (Mr. Claxton), that we in Canada should not try to influence United States opinion, that that would be fatal. With that thought in mind, we never, prior to the entry of the United States into the war of her own free will, sought to promote propaganda in the United States. Those who have attempted propaganda in the United States have not increased the cordiality of the relations between that country and the countries of those who engaged in the propaganda.

There is a difference between engaging in propaganda and giving public information as to facts. I am in agreement with much that the hon. member for St. Lawrence-St. George has said. Now that we in the northern part of north America are united with our neighbours to the south in a great north American partnership, a new situation is brought about in which it is desirable that they should know as much of our activities as we know of theirs. I was very glad indeed that the Prime Minister was able to announce definitely yesterday that Mr. Charles Vining had been requested to make a survey of the whole situation in the United States, to find out what the attitude of the people there would be in the matter of public information, and make a report on the whole situation. The matter will then be reviewed in the light of the real knowledge that will be brought back, and I am hopeful then that we shall be able to embark upon a policy of public relations and public information as between Canada and the United States that will serve the purpose of enlightening the peoples of the two countries as to the activities of the other without in any way giving offence to either of them.

I do not know that I can add very much to what I have said on this subject of our relations with the United States in the matter of public information.

Mr. HARRIS (Danforth): Madam Chairman, after waiting twenty years it is my extreme pleasure to address for the first time a gracious lady in the chair of this committee. I wish her many long years of happiness and service in this hon. chamber.

Madam Chairman, it is a rather sad day when a minister of the crown rises in his place at this time of war and attempts to make the people of this country think about isolation and the position of isolationists and how many isolationists there were in Canada a few years ago. No doubt some of them are still here.

Mr. THORSON: Not at all.

Mr. HARRIS (Danforth): That was one thing that should not have been raised in this hon. chamber at this time. We have had a sense of frustration, but now another wet blanket has been thrown over us this afternoon. It is not fair to the hon. members of this chamber, it is not fair to you, Madam Chairman, it is not fair to the hon. members who served in the last war and who now surround the Minister of National War Services. I know that many of them will feel rather badly when they pick up the press to-morrow and find that the minister has raised in this chamber at this time the question of isolationism in Canada. That is all I shall say about it.

Mr. THORSON: Nonsense.

Mr. HARRIS (Danforth): I do not want to hear another word about isolationism. I want to get on with this war. I want the minister to appreciate the realities and the realism he is talking about. Let us have more positive direction; let us have something with some merit so that we can get on with our war effort. That is the real problem before us. Why should the hon. gentleman rise in his place and make a speech to pave the way for an appointment which apparently was made a day or two ago? That is not reality or realism.

Some of the realities were faced by the minister last night, but he tried to dismiss them in the last paragraph of his speech before he moved that the committee rise, report progress and ask leave to sit again. He said that the government of this country could not do anything about the matter then under discussion, and he threw a wet blanket over the energetic efforts and enthusiasm of some 25,000 women in Canada who are trying to help the war effort. I refer to the Canadian women's voluntary services, which was under discussion last night. I am going to make a plea to the minister now, not to close the gate to the energy and efforts of these women who are giving voluntary service. Try to find some way out of the tangle you have let yourself into in following along behind this organization with a paid organization with the same name—the tangle you have got into by order in council—and, I would not say, usurping the name, but taking away the name which you had previously given to this organization in September, 1941, and by order in council using practically the same name. The name in the order in council to my mind is a misnomer. The order in council says that there shall be a body formed known as the Women's Voluntary Services Division. And the first thing you do is to engage paid help. The first thing you do is to spoil the name "voluntary" entirely by putting on the staff two persons who are paid from the treasury of Canada to do the work which this group of Canadian women have tried to do voluntarily, none of whom—and I ask the minister to mark this carefully—are being paid from funds received by the organization or from the government.

The minister says that the approach of the Canadian women's voluntary services organization is not the approach that he would like to have. Indeed, he says it is the opposite to the approach he wants to have. The minister wants his approach to this problem to come through the present social welfare organizations in Canada. Let us take a broad view of this situation and ask ourselves, who are the social welfare organizations? They are municipal, provincial and dominion bodies doing a good job, and earning their pay as such. But have the women who are at the heads of these social welfare agencies contact with the women of Canada who are giving their voluntary services in this war? Have they the kind of contact with them which will stir women's energies and arouse their patriotism in the form of war work? Some of these women in the difficult times from 1930 to 1940 found it necessary to appeal to the social welfare agencies for help. Not many of them did it, because they did not like to approach the welfare organizations, but a few women through no fault of their own found it necessary during the depression to appeal for assistance to these organizations, and they did so with a sense of humiliation hanging like a cloud around them, and with a sense of defeatism. But they were well treated by the minister's organizations which he now desires to dominate this whole picture. A

very large body of women in Canada at that time had a perfect right to appeal to the social welfare organizations for help, but they refrained from doing it. They preferred to suffer in silence and do the best they could. Another very large group of women in Canada, representing probably all the women's organizations that we read about, the council of women, the daughters of the empire, and so forth, rather refrained from going to the social welfare agencies to get leadership in the type of work they would like to do for the war effort. Of course, they will cooperate with the Red Cross and carry out any rules and regulations; but for the minister to say that the approach made by the Canadian women's voluntary services is the direct opposite to the approach he wants to have, his approach being through the welfare organizations, is to put a wet blanket on the enthusiasm and effort of the women to whom I have referred.

What do these women do? They do very much like Lady Reading's organization does in England and similar organizations in the United States and South Africa. They train for home nursing under the Red Cross, learn creche and child management, act as mother-craft minders, train themselves for home management, take courses in preparedness, learn how to deal with emergencies in war under the direction of the Red Cross, study nutrition. There have been 2,045 classes given, and 2,980 women have completed or are taking these training courses. There have been 200 meetings addressed; 5,000 women have been enrolled and contacts made with 25,000. There are organized disciplined groups of women in each community who are prepared to act in war-time emergencies.

As the hon. member for Peterborough West so well said last night, these women are keen to go on working in a voluntary way. I shall not traverse the ground already covered by the hon. member for Peterborough West and by the hon. member for Lincoln. My plea with the minister is this: Do not stiffen your back on this thing and turn down the representations that are being made by the Canadian women's voluntary services. Let them continue in existence and give some real service to Canada. It is a simple matter for the minister's organization, which comes along afterwards, to say to these women: The government will drop this word "voluntary." Let the minister call his organization by another name, just as he gave names by order in council, dated October 31, to several divisions in his department—the national registration division, the mobilization division, the public information division, the war charities division, the salvage division. Do not use the words "women's voluntary services division." Call your organization the women's services division, if you will. Nothing is so hard on anyone, particularly on our womenfolk, as to find that the work they do in their homes and organizations, the knitting they do in every spare hour and late at night, the learning how to be of service in this war cannot go on as it has been going on hitherto, and that a paid staff is to be employed to direct their activities. They do not like the idea of having paid women in these organizations which are called voluntary organizations.

I suggest to the minister that he give very serious consideration to dropping the word "voluntary" which is used in the order in council, and that he encourage the Canadian women's voluntary services to stay in existence. I also urge upon him that he retract the suggestion that the approach of this organization is the opposite to that of the department. Let the view of his department be a little more elastic. Let him encourage the women to continue in existence and carry on the useful work they are doing. By no means discourage them, because in them you have a strong unit of workers, and it will make for a good deal of difficulty if they are washed out, as it were, so far as this particular job is concerned. Mr. Vining has been appointed to do a job in Washington; a woman is the selective service head in Vancouver. Women grow up to responsible paid positions through the social service organizations, and when they come up that way, let us be frank about it, Madam Chairman, and admit that they were nurtured in the cradle of politics right along before they attained to leadership in these different services.

Consider the history of these services. The minister knows it well, although he may be reluctant to cite it for the enlightment of the committee. He will admit that those who are at the heads of these social service organizations have maintained their positions in these organizations through actions which of necessity were political, and which got them into these organizations. That very thought is going to destroy the very idea which we should encourage and foster.

Mr. THORSON: I deeply regret the controversy which has arisen over this matter, and I assure the hon. member for Danforth that I do not wish to close the gate to the activities of any organization. I hope nothing I have said indicates any such desire.

Mr. HANSON (York-Sunbury): It is what the minister has done more than what he has said.

Mr. THORSON: In that respect I differ from the hon. gentleman.

Mr. LOCKHART: Will the minister permit a question? Did not his director say, "We have to be you or you have to be us"?

Mr. THORSON: Yes, there was some such phrase used. Will the committee bear with me if I try to deal with this matter in a way which will be helpful to all concerned?

Mr. JACKMAN: It is a very important matter.

Mr. THORSON: I appreciate very much the concern which the hon. member for Danforth has shown about the work which is being done by this organization. May I deal with his first argument, that the employment of Mrs. West and Miss Held on a salary basis is contrary to the idea of voluntary service.

Mr. MacNICOL: Are there no dollar-a-year women who would do the job?

Mr. THORSON: Well, in a very careful search which I made over the whole field I was not able to find any dollar-a-year women with the background which was generally regarded as desirable for work of this kind.

Mr. COLDWELL: Few women draw big salaries from corporations, so that there could not be dollar-a-year women.

Mr. THORSON: I am making an effort to deal with a question which has caused a great deal of controversy. Mrs. West was selected to head this division of a department of the government. It is the first occasion in our history when any woman has been appointed to head a division of a department of the government of Canada. The division was set up by way of recognition of the splendid work which is being done by the women of Canada in their communities, a work in which there is no glamour and much dullness, but in which tasks are performed which are absolutely essential to the maintenance of the integrity of the community. This division was set up for the promotion of that kind of activity, so that the communities of Canada might be fully organized within themselves, where leaders of community activity exist, on a basis of community solidarity.

The salaries paid to Mrs. West and to her assistant, Miss Held, are not enormous. I should like to make reference to the organization to which the hon. member for Danforth has alluded. I have before me the application of this organization for registration under the War Charities Act.

Mr. MacNICOL: What organization?

Mr. THORSON: The organization of which we have been speaking.

Mr. MacNICOL: Well, but what is the name?

Mr. THORSON: The Canadian women's voluntary services, Ontario division, fund. It is the registration of a fund. The registration shows the personnel of the committee in charge: Mrs. Stella F. Mackenzie, Mrs. Verna R. Conant, Muriel Gladman—

Mr. MacNICOL: Is that the Mrs. Conant who is the wife of the attorney general?

Mr. THORSON: The wife of the Attorney General of Ontario. They asked for registration of this fund under the War Charities Act of 1939. On page 2 of the standard form they indicate that no branches are established yet and probably there will be no branches for the purpose of raising funds. Then they indicate the donations which have been given or which they expect to collect. The total amount of money expected to be collected by the fund is $10,000. Let me direct the attention of the committee to the principal objects upon which expenditures from the fund are to be made. The amounts expected to be expended in each case are as follow:

1. Specific services (itemize fully), $10,000.

And this follows:

Part of the funds will be donated specifically to pay expenses of a woman who will thus be enabled to give her services as organizer. The rest will be used to pay office expenses such as postage, printing, et cetera, and travelling expenses of the organizer.

Mr. HANSON (York-Sunbury): That is just out-of-pocket expenses.

Mr. JACKMAN: No salary, though.

Mr. THORSON: "To pay expenses of a woman who will thus be enabled to give her services as organizer".

Mr. HANSON (York-Sunbury): Yes: no salary, but out-of-pocket expenses?

Mr. THORSON: No, no.

Mr. HANSON (York-Sunbury): Yes.

Mr. THORSON: —"and travelling expenses".

Mr. HANSON (York-Sunbury): Out-of-pocket expenses.

Mr. HARRIS (Danforth): And it has not been acted on.

Mr. THORSON: Oh, yes; the organizer has received money from the organization.

Mr. HARRIS (Danforth): No—a private donation.

Mr. THORSON: I beg the hon. gentleman's pardon. So that there is nothing in that particular contention. Mrs. West and Miss Held are officers of the department, respectively head and assistant head of the division of women's voluntary services, engaged in the promotion of the activities which I indicated.

I should like to spend a few more minutes on this in order to clear up what I think are misunderstandings. The hon. member for Peterborough West stated that Miss Margaret Hyndman, K.C. and Mrs. Murdoch Mackenzie came to Ottawa and saw Mrs. West and Miss Held, and that this was part of their report.

Mr. MacNICOL: To whom, may I ask?

Mr. THORSON: This report, I gather, is made to the advisory council of Canadian women's voluntary services, Ontario division, at a meeting on Tuesday, May 19, of this year. Now, three statements were made in this report, according to the hon. member for Peterborough West. I believe that a good deal of the misunderstanding as to the objectives of the various parties arises out of an inaccurate statement as to what took place.

Mr. MacNICOL: Who says it is inaccurate?

Mr. THORSON: I say it is inaccurate.

Mr. MacNICOL: Miss Hyndman is a capable woman.

Mr. THORSON: Fortunately I do not have to ask my hon. friend to take my word for it, because it is in print. I should like to put the three statements that are attributed to Miss Hyndman side by side with the statements that Mrs. West actually made at the press conference to which Miss Hyndman refers, which was reported in the *Globe and Mail* of May 12. This statement is made by Miss Hyndman:

1. That the government's plan is to have women's work done in communities by social agencies.

That is not correct. What Mrs. West did say is this:

Mrs. West said that the function of her department is "to unite volunteer war work and civilian services in such a way that the whole volunteer movement marches forward in a coordinated whole on a community basis."

She further explained that the department recommends that in communities having welfare councils, volunteer bureau, or citizens' committees, close cooperation be developed and overlapping, duplication of work, prevented. She also said:

"I am happy to say that Toronto has these facilities already in existence and that the welfare council has already established a bureau on the lines recommended by the department and has made worth-while contributions toward meeting a number of community needs arising out of the war effort. My department will be anxious to assist in its further development and coordination. In a war it is difficult to draw the line between war and home-front services. Peace-time agencies have many war-time duties and give much advice to soldiers' dependents. It is important in the development of volunteer services to note that there is such a body as the welfare council and council of social agencies in existence, because such an organization has an intimate knowledge of community needs and resources and can direct volunteer efforts in the channels in which they are most needed. If it works closely with groups engaged in war work, overlapping and duplication will be prevented. It also creates a volunteer structure that will continue as a nation passes from war to peace."

May I say this of the situation in Toronto, that I spent some time there meeting with various organizations, the citizens' committee and then another organization in the afternoon which is deeply concerned with the coordination of the voluntary effort of the citizens of Toronto. I should like to pay tribute to the splendid manner in which the various organizations in Toronto have cooperated with one another in the matter of putting that city on the basis of community solidarity. If a city such as Toronto can do that, with the splendid results that have followed the activities of the organizations in Toronto, then that can be done in other large cities. So that there is a misconception in Miss Hyndman's report of what Mrs. West actually said.

With regard to the second statement attributed to Miss Hyndman and referred to by the hon. member for Peterborough West:

That no war work should be undertaken in a community until these social agencies who have their "ear to the ground as to the needs" give the word "go".

This is what Mrs. West said:

We do not want to stimulate volunteer effort beyond our ability to use it.

Then she went on to say:

There is a danger of making women feel that they are not contributing to the war effort unless they are outside their own homes doing something in a spectacular way. We want people to feel that there is an organization in every community that has its ear to the ground and is prepared to meet emergencies as they arise.

It is not only the women who are wearing uniforms or who are working in a munitions plant or in a war industry who are making contributions to the war effort of Canada. Many of the women who are working in the activities of the community, where there is no glamour, no publicity, no uniform, but only hard work and drudgery, are in my opinion performing at this time a war service of inestimable value. In performing the tasks of the community they are keeping the heart of the community sound.

Mr. MacNICOL: They have been doing it for years.

Mr. THORSON: That is what is being attempted by these central volunteer bureaux and by people in the communities who are seeking to coordinate all the existing community organizations and activities. I want to emphasize that you cannot put a com-

munity on what I have termed a basis of community solidarity unless you include in your organizations that are being brought together in a cooperative way those organizations that are concerned with social welfare and social need; for I repeat, they are the core of the community. I am not suggesting for a moment that war activity should originate with the social agencies; that was never suggested by Mrs. West; it has never been suggested by me. But I have recognized that you cannot have the community organized on the basis of community solidarity if you exclude from your list of organizations those that are concerned with social welfare and social need.

Mr. MacNICOL: Were any excluded?

Mr. THORSON: The very statements made by the hon. member for Danforth today and by this organization indicate that they have not associated themselves with the social welfare organizations in the city of Toronto.

Mr. FRASER (Peterborough West): They got the children's aid society and the welfare council.

Mr. THORSON: One of them, yes, but I do not think the officers of the organization in which my hon. friends are interested would dispute what I have said.

Mr. FRASER (Peterborough West): They are disputing it.

Mr. THORSON: The third statement that is made, referred to by the hon. member for Peterborough West and likewise attributed to Miss Hyndman is this:

> That women should not be trained for emergencies now, nor their free time utilized for war work except such "unspectacular" (as she called them) and relatively unimportant jobs as salvage and price control enforcement. Nor should they be encouraged to organize their lives to have free time which can be so utilized.

What Mrs. West actually did say, as reported in the press, is this:

> We do feel that until the job is there to be done women can best serve by looking after their community, keeping a quiet home for a harassed husband to come into at the end of a trying day, helping with the salvage project, and price ceiling, and keeping in touch with the boys in the services here and overseas. There is need in this country to make the seemingly uninteresting jobs seem important to our women. There are only a very few jobs in Canada where there is any glamour! The vast majority of women will have to serve in the war effort in an unobstrusive way.

In so serving, the women of Canada, not concerned with glamour, not concerned with publicity, make a contribution to the effectiveness of the war effort which only they can make; it is a contribution of inestimable value to this country, because if you do not keep the communities of Canada sound you cannot keep the nation sound. I say this. We have pledged our country to an all-out war effort. There cannot be an all-out war effort unless certain things are done in the communities of Canada. There are many things that must be done in the communities of Canada which can be done only by the men and women of Canada, working voluntarily. There are many things in the communities of Canada which must be done and which no government can do; only the men and the women of the community can do those tasks. If they do not do them, and do them voluntarily, there is not an all-out community effort.

Mr. LOCKHART: Is there any intention of having regional paid officers?

Mr. THORSON: No.

Mr. LOCKHART: Positively no other paid officials?

Mr. THORSON: There is not the slightest intention of setting up a large organization for this purpose.

Mr. LOCKHART: Are there to be any other paid officials?

Mr. THORSON: No; I have not in contemplation the employment of any other officials.

Mr. LOCKHART: No other paid officials?

Mr. THORSON: I cannot say what may possibly develop. It may be necessary to employ another assistant, but there is no thought of setting up a large and extensive organization. Nor is there any thought of this division seeking to regiment or direct the activities of a community. Rather it is intended to give guidance to a community, so that the organization may rise within the community.

Mrs. NIELSEN: I do not want to take time to go into this matter any further, but I should like to impress upon the minister that the opinion has been expressed to me from certain quarters in this country that this department under Mrs. West is not giving a sufficient lead. I do not want to elaborate on that too much. I have met personally Mrs. West and her assistant, and I believe they are capable women. I am, however, well aware of the fact that they cannot go any further than the minister himself or his policy will permit them to go. They have held these positions for a comparatively short time, but I believe it would clear up a great deal of misunderstanding if the minister would give the committee a

short account of the actual work that has been done by Mrs. West and her assistant, and some details as to what they intend to do in the coming months, so that we may have a better understanding of the intentions of this division.

Mr. THORSON: I should like very much to do that, if members of the committee would not keep on saying that my speeches are too long.

Mr. JACKMAN: I do not think the minister realizes the importance of this matter.

Mr. THORSON: It is definitely important.

Mr. FRASER (Peterborough West): Just before the minister goes on with that, would he mind telling us what official or what branch of his department gave out the press release from which he read?

Mr. THORSON: The press release to which I referred was given by Mrs. West herself at a conference between Mrs. West and the officers of the central volunteer bureau in Toronto.

Mr. MacNICOL: And Miss Hyndman would be present too, would she?

Mr. THORSON: No, not at that conference. The press report is from the *Globe and Mail* of May 12, 1942.

Mr. COLDWELL: What does it say?

Mr. THORSON: I have just been quoting it. I can quote it again, if my hon. friend wishes.

Mr. COLDWELL: Was there more than that in the press report?

Mr. THORSON: I have taken the three statements that are attributed to Miss Hyndman, and I have given what Mrs. West actually said. I have done that for the purpose of trying to indicate that there was a lack of understanding on the part of some people as to what really was being undertaken by the various organizations growing up in different parts of the country.

Mr. MacNICOL: In the beginning I gathered that the statement read was a rehearsal of the statement that was given to the press, and that the statement actually was given by Mrs. West while Miss Hyndman was present. Now I am told that this is the statement which was issued by Mrs. West. Has the minister a statement issued by Miss Hyndman?

Mr. THORSON: No; it is the other way round. Mrs. West had this press conference with officers of the central volunteer bureau in Toronto.

[Mrs Nielsen.]

Mr. MacNICOL: And who were present then?

Mr. THORSON: The press and the central volunteer bureau.

Mr. MacNICOL: And Miss Hyndman was not present?

Mr. THORSON: No; she was not. That release was given to the press and was reported in the *Globe and Mail* of May 12. Then the statements attributed to Miss Hyndman are said to be statements which she made on May 19 to the advisory council meeting of the Canadian women's voluntary services, Ontario division. We are trying to utilize the services of all organizations. The question of name, in the opinion of the organization itself, is not the most important consideration. In my view the name Canadian women's voluntary services—

Mr. MacNICOL: Is it "voluntary" or "volunteer"?

Mr. THORSON: It is "voluntary services". In my view that name is not altogether appropriate to the activities of this organization, because it is all-embracing. There are a number of activities in which this organization could engage. Likewise I do not think it should be permitted to grow into a national organization when there are many existing national organizations doing their tasks effectively. In my opinion the name is not accurately descriptive of the organization. I am quite prepared to grant registration of any fund for which such registration is applied—but under some other name. I am not putting this organization out of business, or even seeking to do so.

Mr. MacNICOL: Would it not be better if they cooperated all round?

Mr. THORSON: I think that is the solution. May I say that early in September I met the ladies actively engaged in this organization—Mrs. MacKenzie, Mrs. Conant and Mrs. Bryce—and indicated to them at that time, in Toronto, what the aims of our department were. I pointed out that I did not think they were proceeding in the way which would be most helpful to those aims. They were also advised to the same effect somewhat earlier. The organization sought the blessing of Lady Reading, but Lady Reading would not give it to them. The organization in Great Britain is nation-wide, and the situation there is not the same as it is here.

I assure hon. members that we gave this subject the most careful thought and consulted many people, and that the opinion was almost unanimous that we ought to embark

upon a scheme having as its basis the idea of community solidarity. We ought not to try to regiment anyone, but should give guidance and direction, so that the leaders in the community might get together, cooperate with each other, and build their organization on a basis of community solidarity for peace-time social welfare and war-time activities. It was felt that on that basis they could serve the purposes of the community and the nation, and make their utmost contribution to the war effort.

I believe we can find work for these women.

Mr. FULFORD: Mr. Chairman, at the outset I wish to associate myself with the observations and suggestions of the hon. member for St. Lawrence-St. George with respect to lack of publicity in the United States respecting Canada and her war effort. I could go back to a time two years ago when I was particularly opposed to the principle of the foreign exchange control board, to that of restricting Canadian travel to the United States, and to the imposition by the United States of passport regulations respecting Canadian citizens. However, that is now water under the bridge.

I have no doubt, however, that those circumstances were the beginning of the rift which has been developing between personal friendships—and I do not mean national friendships—concerning Canadians and citizens of the United States. To counteract that condition it is most necessary that we give our United States friends as much publicity as possible with respect to what Canada has done and is doing in this war.

It has been said that citizens of the United States do not appreciate what we are doing because we have not conscription. I do not intend to discuss that point more than to say that when I addressed a meeting in Watertown, New York, about a month ago, and they heard how many men we have in uniform who are willing to serve the cause of democracy in any part of the world, they were astounded. After the meeting, one after another came to me and said that that was the most gratifying and pleasant news they had heard. They had no idea the condition was such—and Watertown is only twenty-eight miles from the international boundary line.

One peculiar feature in connection with the advertising of an internationally known product is that often an advertisement which will have tremendous appeal in the United States will have none in Canada. The reverse is also true. On many occasions something which will have appeal in Canada will have none in the United States. It has occurred to me that one of the reasons why we are not putting the story of our war effort across in the United States is that we are not giving it the right appeal. For that reason I agree with the suggestion of the hon. member for St. Lawrence-St. George that we open a publicity bureau in New York city, and have it headed by the best man who can be chosen from this country. He need not necessarily be a publicity or newspaperman, although I should think a newspaperman would be an excellent choice. But when this office is opened I would suggest the retaining of the services of a first-class United States publicity or advertising agency.

I happen to be associated with a business which does advertising in both Canada and the United States. In Canada we do our advertising through a Canadian agency, but in the United States we use a United States agency because it understands the mass buying psychology of the citizens of that country. I know that United States citizens prefer to have their advertising in forms different from those we have in Canada. They respond more readily to newsreel publicity, and to pictures appearing in newspapers. Are we giving them enough of the kind of advertising they prefer?

May I at this time compliment the Canadian Broadcasting corporation upon the excellence of the international hook-ups carried by the big United States chains. I believe they have done a splendid job.

Mr. HANSON (York-Sunbury): Do you mean Sister Susan and the like of that? I think that is the most awful stuff I have ever listened to.

Mr. FULFORD: We will leave "Sis" out of it. The point is that we are not going about this thing in the right way. It is vitally necessary that we do this because Canada forms an indivisible bond that links the British empire to the United States of America, and that bond must be stronger to-day than it ever was before. No doubt we are linked closer together because of our common effort in this war of survival than we have ever been before. Living as I do on the international border I realize, however, perhaps more than some who do not live on the border, that as individuals we are growing apart. Nothing in the last year or so has given me greater concern than that.

I hope the few suggestions I have made will be considered and that every effort will be made to publicize from one end of the United States of America to the other just what we are doing over here, what our soldiers, our sailors and our airmen are doing;

we should let that country know that our armed forces are prepared to fight in any part of the world. Our airmen to-day are taking part in practically every major battle that occurs. It is an inspiring story, and if properly handled it can be put over in a big way.

Mr. HANSON (York-Sunbury): Would the hon. member include in that story the present situation as to national unity in Canada?

Mr. FULFORD: I think that is a most inopportune statement to make at this time. I do not think that remark should have been made by the leader of the opposition. It is remarks of this kind that make the world believe we are not united.

Mr. HANSON (York-Sunbury): We certainly have not national unity in this country and never have had. We never will have it under party government.

Mr. FULFORD: All I can say is that we hope we are successful in putting over this publicity in a right and proper way.

Mr. GILLIS: Prior to coming into this house I worked for a living. I moved in circles where people were doing things. One of my great disillusionments has been to see the way in which serious business is conducted at this time.

Mr. MacNICOL: In the House of Commons.

An hon. MEMBER: You are wasting time yourself.

Mr. GILLIS: I am not wasting time, and I shall prove it before I get through. A good deal of time has been wasted this afternoon. The hon. member for St. Lawrence-St. George and the last speaker referred to publicity in the United States. I think we are getting too much; there are a lot of things that we have no cause to broadcast or placard across the country. For the past two weeks I have sat here listening to the Minister of National War Services. In my opinion the majority of members of this house have no idea of the functions of that department, and I sometimes doubt whether the minister has. I say that quite frankly. I think I have some idea of the ramifications of the department under the minister's control. I have made some attempt to analyse its activities. When the Prime Minister tabled on March 24 the thirteen orders in council that set up the national selective service organization in this country, the status of this department changed completely.

Mr. THORSON: Oh, no.

Mr. GILLIS: That is my opinion and I am going to endeavour to prove it. During this debate the minister has stood in his place and tried to answer questions which belonged rightly to three or four other departments.

Mr. THORSON: No.

Mr. GILLIS: The Prime Minister's statement is set out on page 1563 of *Hansard*, and I am going to put that statement on the record again in order that we may discuss the functions of this department as they are related, not only to the calling of men for military service but to the mobilization of the manpower of this country. During the course of the discussion the minister has gone into matters that belonged rightly to the Department of Labour, the Department of Pensions and National Health, and several other departments. These matters will come before the house again at some time in the future and the discussion will be repeated. The Prime Minister said:

> The primary responsibility for the extended scheme of national selective service has been placed upon the Minister of Labour. Under the Minister of Labour, the administrative responsibility for the direction and coordination of the policy has been vested in a director of national selective service and an associate director. Mr. Elliott M. Little has been appointed the director of national selective service, and Mr. Paul Goulet, the associate director.
>
> The responsibility for increasing the total man-power available for war service has been largely centred in the Department of Labour.

The administrative responsibility for allocating man-power, for placing men and women in the most useful forms of service and for the direction of the women's organizations of this country, has been placed upon the Minister of Labour. The Minister of National War Services has been dealing this afternoon with the women's organizations. The minister took up much time and went to much trouble to analyse a problem that really belongs to another department. The Prime Minister continued:

> The other departments of government which share in greater or less degree in the tasks of making man-power available for war service and in the allocation of the available man-power are the departments of National War Services, Pensions and National Health, Munitions and Supply, Agriculture,—

The responsibility of dealing with men who may be exempt because they are engaged in the agricultural industry is the responsibility of the Minister of Agriculture.

Mr. THORSON: Not at all.

Mr. GILLIS: When the national selective service regulations were brought down there was a change in the status of the calling up of men for military service. Prior to national selective service being adopted the Minister

of National War Services called up the proper age groups on the basis of their necessity for military service. When national selective service was set up the emphasis was no longer upon whether a man was eligible for military service, it was upon whether he was essential to a certain war industry.

Mr. THORSON: The national war services regulations are still in my department.

Mr. GILLIS: That is quite true, but an entire administrative organization has been set up.

Mr. THORSON: Not a new one.

Mr. GILLIS: Mr. Elliott M. Little.

Mr. THORSON: Not for the enforcement of these regulations.

Mr. GILLIS: He has to do with the mobilization of the man-power of the country.

Mr. THORSON: Except the compulsory part.

Mr. GILLIS: Your boards have changed.

Mr. THORSON: They are all the same.

Mr. GILLIS: You may still have the same boards but the national selective service officers sit in on those boards.

Mr. THORSON: No.

Mr. GILLIS: The minister stated a few days ago that they do.

Mr. THORSON: Representatives of the director of national selective service have a right to appear before the boards and make representations, but they are not members of the boards.

Mr. GILLIS: That makes the regulations crazier than ever. I had some confidence in the national selective service set-up which was to make plans for distributing our available man-power where it was required in relation to the needs of war production, after I had read some of the speeches that Mr. Little made since his appointment to the head of national selective service. I felt that it was in the hands of a man who was qualified both technically and practically for the job he had to do. I thought he showed a real grasp of the problem; and if Mr. Little were given latitude to organize things in the way he set out in his statements to the press and in his addresses to service clubs, I think he would do well in his position. But it is a different matter entirely if he is to be under the thumb of the Department of Agriculture, the Department of National War Services, the Department of Pensions and National Health and the Department of Labour, and if the complete mobilization of the man and woman-power of this country is still in the hands of a judge and a representative of agriculture. That is the board that is sitting now. I do not know who appointed the representative of agriculture.

Mr. THORSON: The hon. member is all mixed up.

Mr. GILLIS: I listened as carefully as I could to the answers which the minister gave to questions as to the exemption of workers employed in agriculture, and he said that the exemption boards consisted of a judge and two other persons, one of whom was a farmer in the particular case.

Mr. THORSON: That was in Saskatchewan. One of the members of the board happens to be president of the United Farmers of Canada, Saskatchewan section.

Mr. GILLIS: Does the same thing apply right across the country?

Mr. THORSON: Not necessarily. In this case Mr. Bickerton is a member of the board.

Mr. GILLIS: The government's national selective service organization does not mean a thing, for this reason. In the west the board still has a judge and a farmer on it. I do not know who sits on the board in the east, but we have had no trouble on that score in Nova Scotia.

Mr. THORSON: Not the slightest.

Mr. GILLIS: There has been absolutely no trouble with our board. It will be realized as we go along that national selective service is definitely related to the calling up of men for military service; and if Mr. Little is going to function properly, national selective service has to have some representation on the board. As I have said before, the emphasis is no longer upon whether a man is eligible for military service but whether he is essential to war industry, and who is going to decide whether a man is essential to an industry if there is not a national selective service officer on the boards in the different provinces? These boards sit in judgment on a question of life and death, deciding who is to be called up for military service. The national selective service officer in the different provinces is the head of the unemployment insurance office, and ninety-nine out of one hundred of the unemployment insurance officials in every section of Canada have been appointed because of political patronage.

Mr. THORSON: He does not decide whether a man is to be called for military training.

Mr. GILLIS: Who decides?

Mr. THORSON: The divisional boards.

Mr. GILLIS: And the national selective service organization does not come into the picture at all?

Mr. THORSON: They do not make that decision.

Mr. GILLIS: Here is something that happened this week, and I point it out to show why it is necessary for the national selective service officers to have the major say in who is to be called and who is not to be called.

Mr. THORSON: I understood the hon. member to say that he did not want them to have the say.

Mr. GILLIS: I do. I say that the board is not in a position to segregate men into industry and the army and decide who is required for military service, without doing a serious injury to the industries of this country which are necessary to our war production. I have said all along and I repeat it now, that Canada's greatest war effort will be made along the production lines, and not in the field.

Here is a specific case that I wish to bring to the minister's attention. We know that aeroplanes are absolutely necessary on every front, that planes are needed and needed badly. Here is what happened at the de Havilland plant. On the 14th of this month some 400 employees of that plant were called up for military service. Nine of these men were expert tool makers who are essential to the industry and could not be replaced at a moment's notice. None of the men taken from this plant can be replaced inside of sixty days, by men equally efficient. As I say, 400 of these men were called up on the 14th of this month. One of these men, a tool maker, was ordered to go before his own private physician, where he had his blood pressure taken and his heart examined and he was declared A1. He was given a ticket and sent to Ottawa to report at Connaught ranges. He was given forty-eight hours to do that job in.

Mr. MacNICOL: Was he a first-class tool maker?

Mr. MITCHELL: How old was he?

Mr. GILLIS: Twenty-six. He tried to get a week's extension from the examining board in Toronto so that he could straighten up his affairs, but they had no authority to grant him an extension. These 400 men are being sent to the different camps across Canada. Some of them came to Ottawa. The man to whom I was talking spent a week at Connaught ranges, and then he was reexamined and declared permanently medically unfit. He has been idle from the 14th to the 29th of this month.

Mr. MacNICOL: Is he back at the de Havilland plant?

Mr. GILLIS: He was here in Ottawa to-day and is on his way back to de Havilland.

I say that to take these 400 men out of a very necessary war plant in this country and send them into the armed forces is doing a disservice to this country. Think how serious it is for an aeroplane factory to lose 400 men with experience.

I have three of Mr. Little's speeches here, and I can agree with every word of them. I do not think what I have described would have happened in Toronto if Mr. Little, with the ideas he has expressed, had sat in with that board. I think these 400 men were contributing more to the country's war effort in producing planes for our boys who are out in the field than they could do in pounding a parade ground somewhere in Canada. Armaments and munitions are what we need. That is why I emphasize that if the government had sufficient confidence in Mr. Little, who has a fairly good grasp of what is necessary in the mobilization of workers and of how to relate our man-power needs in industry to our war effort, then instead of involving national selective service with three or four other departments, they would allow Mr. Little and his organization to say who is essential to industry, and his organization should not only be given representation on the board which will handle the call-ups from now on but be given the major say. I would judge from what happened in this case that there is competition; the army wants more men and wants them in a hurry, and perhaps wants them before national selective service gets operating as it should operate and, I believe, as it will operate in the future. As I see it now, the whole question is handled by different departments, and there is nobody with supreme responsibility, nobody in a position to give direction.

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

Mr. GILLIS: Somebody has to take hold of the thing and organize it, and I thought that that was Little's job.

Mr. MITCHELL: I may say to my hon. friend that it will be done—make no mistake about it.

Mr. GILLIS: There is an aeroplane plant disrupted right now in Toronto. Take four hundred men out of a plant and it does not do it any good.

Mr. MITCHELL: After all is said and done, the facts are not here. A toolmaker is a highly-skilled mechanic. The mere fact that a man says he is a toolmaker does not make him one.

Mr. CASTLEDEN: But he has been employed for three years.

Mr. MITCHELL: That may be. We have passed through the stage of the establishment of the regulations, and after some difficulties in Montreal we sent a representative of the national labour supply council as an adviser on the board there. As my hon. friend admitted this afternoon, the boards in his province have been very fair. Whether you and I like it or not we have got to put the women into industry and the young men into the fighting forces. It is not a question of what you want to do, it is a question of what you have got to do. I want first to see the evidence that this man is a toolmaker. I will agree that while it is comparatively easy to get numbers of majors and colonels, and captains in the navy—I say this with no disrespect to them—it is very difficult to get highly trained toolmakers.

Mr. CASTLEDEN: Then why are you taking them out of industry?

Mr. MITCHELL: My hon. friend asks why am I taking them out. I have just pointed out to my hon. friend that first you have to have the evidence; the mere fact that a man tells me that he is a toolmaker does not make him one.

Mr. CASTLEDEN: He was employed for three years.

Mr. MITCHELL: That is all right. You show me his card and I will tell you whether he is a toolmaker. I know what a toolmaker is. When the war broke out there were—on paper—only 6,300 toolmakers in the whole dominion—I mean persons who said they were toolmakers. I agree that if this man is a toolmaker it is criminal that he should be in the fighting forces. The national labour board has a representative and adviser on the board in Toronto of which this man spoke, and I am doubtful, when the thing comes to be analysed, and the man's card is examined, if it will be shown that the man is a toolmaker.

Mr. HANSON (York-Sunbury): It is a question of fact.

Mr. MITCHELL: Of course it is.

Mr. GILLIS: I hope the minister is right. But four hundred men were taken out of a shell plant, nine of them being toolmakers and one a charge hand. If there is a national selective service man on that board in Toronto Mr. Little should take him to task, because certainly he is not acting in accordance with the opinions expressed by Mr. Little in many of these press statements.

The minister says we must put the women into industry. I agree that that should be done when there are no longer any unemployed men in that section who could be used; women should then be trained to take their places in industry in order to fill the places of those who are going into the forces. Those who are charged with the responsibility of organizing this service must see to it that women are not brought into industry for the purpose of reducing wages. I have a letter from Hamilton, signed by the president and the secretary of a union, which says:

> Specific cases at present show that male employees at an hourly earning of 80 cents per hour are being replaced by female workers at 33 cents per hour. These male workers are placed on other jobs at rates of 50 cents per hour and a few cases of 57½ cents per hour.
>
> We believe these conditions were only to be brought about in case of male employees being called for military purposes.

They thought, as the minister stated a moment ago, it was only when men were called for military service that they would be replaced, and then that the wages should not be reduced. If women are taken in the plant and do the same work which has been done by men, the same wages should be paid. That is a specific case from a Hamilton plant. I hope the minister will see that the matter is checked up.

With respect to the setting up of these boards and the question of exemption and the essentiality of the men to industry, the boards as constituted at the present time are in my opinion not competent to sit in and judge impartially in cases of the kind. Previously they were. It was a straight matter of calling men for military service.

Mr. MITCHELL: The question raised by the hon. member was just as important before national selective service as it is to-day.

Mr. GILLIS: You have had the odd case. To-day you are going to get dozens.

Mr. MITCHELL: I admit that some will squeeze through the barrier. That happens in all big undertakings such as this.

Mr. CASTLEDEN: Four hundred of them?

Mr. MITCHELL: My hon. friend says four hundred, but he does not know what he is talking about. Perhaps he will let me finish my statement and we can get along. It was just as essential before selective service that

key men in essential industries should not be called up as it is to-day. The conditions then were just the same as they are now. I say that just to put the matter fairly before the committee.

Mr. GILLIS: The minister is right to a certain extent, but from another point of view he is not. Many industries have been organized in this country during the past year. Practically all the available man-power of the country is either in the armed services or employed in industry; and as the age groups are advanced, when the call goes out for military service most of these people will be coming from either the essential or the non-essential industries. I have letters from several of the steel-workers' organizations. In that industry most of the men are trained for a specific job.

Progress reported.

On motion of Mr. Crerar the house adjourned at six p.m.

Monday, June 1, 1942

The house met at three o'clock.

ROYAL CANADIAN AIR FORCE

MESSAGE FROM THE PRIME MINISTER TO AIR OFFICER IN CHIEF OVERSEAS

Hon. T. A. CRERAR (Minister of Mines and Resources): Mr. Speaker, the Prime Minister (Mr. Mackenzie King) has been unable to come to the house to-day. In his absence I believe hon. members would wish me to read the text of the message which the Prime Minister sent this morning to the Air Officer in Chief, Royal Canadian Air Force overseas:

Air Officer in Chief,
R.C.A.F. Overseas,
London.

The growing strength of the Royal Canadian Air Force overseas and the reports of its increasing share in actual combat with the enemy have filled Canada with pride. The hearts of the Canadian people have been particularly stirred by the news of the important and considerable part which Canadian airmen had in the raid on Cologne with its far-reaching effects.

On behalf of the government, I would ask you kindly to convey to the officers and airmen of the Royal Canadian Air Force under your command, and, through the appropriate channels, to the Canadian officers and airmen serving with the Royal Air Force, an expression of the pride of all Canada in their great and growing achievements. Please extend as well our best of wishes for every success in future aerial combat. The Canadian people will ever gratefully remember what the gallant young airmen of Canada are doing to defend the security of their homeland and to preserve freedom by engaging and occupying the enemy in the skies over Europe, and in other parts of the world.

W. L. Mackenzie King,
Prime Minister.

REPORTS AND PAPERS

NATIONAL FILM BOARD—EMPLOYMENT OF STAFF

Hon. J. L. ILSLEY (Minister of Finance): I desire to lay on the table copy of the treasury board ruling regarding the National Film Board Act, of November 15, 1940, which is tabled at the request of the leader of the opposition (Mr. Hanson). This will mean that when the motion standing in the name of the hon. member for Hastings South (Mr. Stokes) is reached, it will be dropped.

Hon. R. B. HANSON (Leader of the Opposition): The document now tabled covers the motion?

Mr. ILSLEY: Yes. I wish to do it in this way, rather than to create a precedent by having the house pass resolutions or motions for the production of treasury board rulings, which are privileged documents.

Hon. J. T. THORSON (Minister of National War Services): I desire to lay on the table the opinion of the Department of Justice referred to in sessional paper 211A, so that when the motion now standing in the name of the hon. member for Saskatoon City (Mr. Bence) is reached it may be dealt with in the same way as the motion in the name of the hon. member for Hastings South. The opinion of the Department of Justice is tabled without prejudice to the usual rule with regard to opinions of the Department of Justice.

Hon. R. B. HANSON (Leader of the Opposition): I should like to make this observation, that we accept the information contained in these documents now tabled, but without prejudice to our right to apply for them in the regular way. I do not feel bound by the statement of policy made by the two ministers.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 82, for the relief of Annie Miriam Scott.—Mr. Bercovitch.

Bill No. 83, for the relief of Marguerite Elsie Ramsay Murdoch.—Mr. Claxton.

Bill No. 84, for the relief of Elizabeth Molnar Schneider.—Mr. McIlraith.

Bill No. 85, for the relief of Max Kaback.—Mr. Bercovitch.

Bill No. 86, for the relief of George McDonald Joseph Carew.—Mr. Bercovitch.

Bill No. 87, for the relief of Wandless Joseph Henry Verdon.—Mr. Abbott.

Bill No. 88, for the relief of Mary Eileen Scott Warrington.—Mr. McIlraith.

Bill No. 89, for the relief of Joseph Bergman. —Mr. Whitman.

Bill No. 90, for the relief of Marie Martha Hermine Browne Peters.—Mr. Bercovitch.

Bill No. 91, for the relief of Ethel Gerson Kalmanovitch.—Mr. Abbott.

Bill No. 92, for the relief of Freda Sweet Simon.—Mr. Gray.

Bill No. 93, for the relief of Phyllis Mary Alice Verrinder Horrell.—Mr. McIlraith.

Bill No. 94, for the relief of James McKinna Wood.—Mr. Bercovitch.

Motion for first readings en bloc agreed to on division.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MILK SUBSIDY TO DAIRY FARMERS

Mr. BRUCE:

1. Has the government discontinued the milk subsidy to the Canadian dairy farmers?
2. If so, for what reason?

Mr. ILSLEY:

1. Yes.

2. Beginning December 22nd, 1941, and ending April 30th, 1942, a milk subsidy was paid to certain dairy farmers for the purpose of maintaining production of essential supplies during the winter. The subsidy was discontinued on May 1st, because effective on that date the board established a new scale of maximum milk prices and made provision for other adjustments in milk distribution practices, so that adequate prices may be paid to producers to enable them to continue production.

JOHN INGLIS COMPANY

Mr. NICHOLSON:

1. What amounts have been paid to the John Inglis Company since October 31, 1940, on, (a) capital expenditure contract, (b) production contract?

2. What is the total amount which has been paid to Major Hahn of the John Inglis Company, since October 31, 1940 as (a) salary, (b) other allowances?

Mr. HOWE:

1. (a) $17,035,061.51 from November 1, 1940 to April 30, 1942; (b) $18,695,000 from November 1, 1940 to April 30, 1942.

2. (a) None. The terms of the contract dated October 31, 1940, state that the salaries of the president, vice-president, general manager, secretary and treasurer and any amounts paid to any director shall not be allowed as a cost against the contract. The John Inglis Company Limited is a privately owned company to which capital assistance has been granted and which is operating on a management-fee basis. Salaries paid to the officials mentioned above, are paid by the company from that management fee.

(b) $423.46—Expenses to Washington, New York and Ottawa on government business during the period November 1, 1940 to April 30, 1942.

KING'S COUNTY, N.S., AIR FIELD

Mr. BLACK (Cumberland):

1. Were lands purchased at or near Kingston and Greenwood, King's county, Nova Scotia, for an airfield?

2. If so, (a) from whom were such lands purchased, (b) acreage of each purchase, (c) amount asked by each owner and the amount paid?

Mr. HOWE:

1. Yes.
2. Greenwood.

Vendor	Area acres	Consideration
M. C. Spinney....	80·23	$4,412 65
L. Woodbury	39·76	2,681 80
J. C. Griffin	125·42	6,750 00
H. E. Armstrong ..	100·62	6,765 00
Est. H. Keddy ...	39·8	3,030 00
Est. E. J. McKenna	26·8	1,340 00
A. S. Marshall ...	39·47	1,973 50
Est. F. M. Munro..	30·5	1,720 00
Est. F. Woodbury..	15·5	2,830 00
W. Baker	45·64	3,672 50
G. G. Power	32·02	3,635 00
H. Keddy	5·0	350 00
S. H. Griffin	55·85	4,061 00
Mrs. L. Neiley	36·3	2,000 00

We have no information as to the amount asked by each owner.

PROFITS OF CHARTERED BANKS

Mr. QUELCH:

1. What were the profits of each of the chartered banks for the year 1941 in Canada?
2. What percentage of paid-up capital are such profits in each case?

Mr. ILSLEY:

NET PROFITS OF EACH OF THE CHARTERED BANKS OF CANADA FOR FISCAL YEARS ENDED IN 1941

(Cents omitted)

Name of bank	I Net profits after published provision for dominion taxes shown in column II but before appropriations for bank premises, pension funds, etc., shown in column III	II Published provision for dominion taxes	III Appropriations for bank premises, pension funds or other published allocations	IV Per cent of net profits (column I) to capital paid up	V Per cent of net profits (column I) after allowance for appropriations, etc., (column III) to capital paid up	VI Per cent of net profits (column I) to total shareholders' money, viz., capital paid up, reserve and undivided profits	VII Per cent of net profits (column I) after allowance for appropriations, etc. (column III) to total shareholders' money, viz., capital paid up, reserve and undivided profits
Montreal (Oct. 31)	$ 3,437,026	$2,242,905	$ 500,000	9·55	8·16	4·52	3·86
Nova Scotia (Dec. 31)	1,935,602	1,061,949	455,000	16·13	12·34	5·20	3·98
Toronto (Nov. 30)	1,521,556	902,944	400,000	25·36	18·69	8·47	6·24
Provincial (Nov. 30)	291,434	149,209	50,000	7·29	6·04	5·59	4·63
Commerce (Oct. 31)	3,013,152	1,665,987	603,994	10·04	8·03	5·93	4·74
Royal (Nov. 30)	3,535,928	1,892,224	725,000	10·10	8·03	6·08	4·83
Dominion (Oct. 31)	939,322	449,004	235,000	13·42	10·06	6·32	4·74
*Canadienne Nationale (Nov. 30)	746,351	376,628	185,000	10·66	8·02	6·09	4·58
Imperial (Oct. 31)	978,102	504,532	255,911	13·97	10·32	6·24	4·61
Barclays (Sept. 30)	4,296	....	....	·29	....	·19	....
	$16,402,769	$9,245,382	$3,409,905	11·27	8·93	5·65	4·47

* Net profits shown in this case are after provision for provincial as well as dominion taxes and also after deduction of $125,000 statutory annual payment to the Province of Quebec—provincial statute 14, Geo. V, Ch. 3.

Date following each bank's name denotes end of its fiscal year.

If the purpose of question No. 1 is to ascertain the profits of each of the chartered banks earned in Canada the answer is that the banks are not required by the Bank Act or otherwise to publish or report separately the results of their Canadian business as distinguished from their external or over-all operations. The net profits of each of the chartered banks for the fiscal years ended in 1941 are shown in the attached statement.

While the figures submitted are compiled from the regular annual profit and loss statements of the banks, it should be pointed out that all banks do not publish 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. Moreover, to arrive at true net profits on a uniform basis the figures shown in column I should properly be reduced by the respective amounts shown in column III, since appropriations to write down the cost of premises, as well as contributions to pension funds, etc., are definitely provided out of earnings, and consequently decrease the amount finally available to shareholders.

Although the percentages of profits to paid up capital only are asked for, additional calculations have been made as indicated by the statement, particular attention being drawn to the percentage realtionship of net profits (column VII) to the total of shareholders' money invested, namely, capital paid up, reserve and undivided profits. It is the percentages shown in this column which reflect for all practical purposes the real relationship of final net profits to total shareholders' investment. The percentage of profits to capital paid up alone is necessarily a nominal or arbitrary one only (although sometimes incorrectly used as a measure of earnings) as other shareholders' funds also go to constitute the entire capital owned and at risk by shareholders.

*FEMALE WORKERS IN WAR FACTORIES

Mr. LaCROIX (Quebec-Montmorency):

1. Will the government eliminate the practice of two shifts a day for female workers in war factories of Quebec, and substitute therefor three shifts of eight hours each as is generally the case in Ontario?

2. If so, when is it proposed to make this change?

Mr. HOWE: I believe I may answer this question verbally. It is the policy of the government to institute three eight-hour shifts wherever production can be improved by so doing. There are cases however where it is not possible to do so, on account of lack of management or lack of personnel, or the time required to adjust machinery.

PLEBISCITE—ADJUTOR SAVARD

Mr. FRASER (Peterborough West):

1. Did Adjutor Savard do any work in connection with the plebiscite?

2. If so, what work?

3. How much money did he receive for this work as (a) salary, (b) living allowance, (c) travelling expenses?

Mr. McLARTY:

1. No.

2 and 3, answered by No. 1.

NEW BRUNSWICK NATIONAL SALVAGE CAMPAIGN ORGANIZER

Mr. STOKES:

1. Has Lemuel F. Sewell been appointed director of salvage for the province of New Brunswick?

2. If so, on what date?

3. What salary and/or allowances does he receive?

4. What are the duties of this position?

5. What are his qualifications for this work?

6. By whom was he appointed to this position?

7. By whom was he recommended?

8. Was this position publicly advertised and were others of equal or superior qualifications given an opportunity to apply?

Mr. THORSON:

1. Yes; Lemuel F. Sewell is organizer, national salvage campaign, for the province of New Brunswick.

2. April 30, 1942.

3. Salary, $2,100 per annum; out-of-pocket travelling expenses incurred while on departmental business.

4. To promote the organization and direction of voluntary salvage committees in the area under his supervision. To promote salvage of materials and direct the flow of salvage to the market. Generally to encourage salvage of materials needed in war industry.

5. Knowledge of the immediate area in which he works and ability to carry out the policies laid down by the national salvage office.

6. By order in council.

7. Minister of National War Services.

8. (a) No; (b) See answer to 8 (a).

HOUSING

Mr. LOCKHART:

1. What has been (a) the total expenditure made, (b) the total administrative cost, in connection with the Dominion Housing Act and the National Housing Act, from inception to date?

2. What is the total number of houses which have been erected or are now in process of erection, pursuant to these acts?

3. What is the total amount of the loans made under the said acts?

4. What is the total loss incurred by the dominion treasury by reason of default of borrowers under these acts?

Mr. ILSLEY:

1. (a) To May 28, 1942—$18,831,320 (Includes loans disbursed to date, administrative and other expenses.) (b) to May 28, 1942—$373,719. (Includes expenditures under the Dominion Housing Act and parts I, II, and III of the National Housing Act, less an estimated $30,000 allocated to home improvement loans expenses.)

2. 23,156.

3. $76,884,292.

4. $721.87.

HOME IMPROVEMENT PLAN

Mr. LOCKHART:

1. What was the total administrative cost of the Home Improvement Loans Guarantee Act?

2. What was the total value of the improvements made pursuant to the above named act?

3. What was the total loss incurred by the dominion treasury by reason of default under this act?

Mr. ILSLEY:

1. Estimated at $30,000.

2. $49,959,055.31.

3. Total loss claims paid.....$285,159.33
Less amounts recovered by government 11,947.46

Net loss claims paid.....$273,211.87

ARMY WEEK

Mrs. NIELSEN:

1. Has the national executive committee for army week been appointed yet?

2. If so, who are the members of such committee?

3. When are further plans for army week likely to be made known to the public?

Mr. MACDONALD (Kingston City):

1. Yes; a small group whose duties are to coordinate public effort in this regard and to disseminate information to local committees.

2. Joseph W. G. Clark, Director of Public Relations, Army and Air Force, Chairman; Major-General H. F. Letson, Adjutant-General; Lt-Col. James Mess, Captain R. H. Dayton, Captain W. A. Robinson, Captain William Mills, R. S. White, Adjutant-General's Branch; Captain R. A. Diespecker, Public Relations, Army; W. B. Herbert, Department of Public Information; R. S. Jones, General Foods Limited, Toronto; W. C. Stannard, J. Walter Thomson Co. Ltd., Montreal; Claude Melancon, Department of Public Information; Albert Cloutier, Department of Public Information; Peter Aylen, Canadian Broadcasting Corporation; Ross McLean, National Film Board.

3. In the near future by a broadside newspaper "Army Week", published by the Association of Canadian Advertisers at no expense to the public, and by statements made by the national executive committee and local army week committees all across Canada.

PRISONERS OF WAR—JAPAN

Mr. CHURCH:

1. Is the government yet in a position to make a further statement regarding the treatment of military prisoners and civilians by the Japanese army at Hong Kong, after the capitulation?

2. Has Japan been notified that the Japanese government and the military commander in charge there will be held directly responsible and to account for the inhuman and brutal treatment of Canadians?

3. Who is now Canada's protecting power in place of Argentine, and what has been done to protect the interests of Canadian prisoners of war?

4. Has the government or any private organization been able to deliver any food, medical supplies, clothing or other aid to our soldiers there?

Mr. CRERAR:

1. The government is not in a position to make a further statement regarding the treatment of military prisoners and civilians by the Japanese army at Hong Kong, beyond stating that it has been learned from reliable but unofficial sources that there has been some improvement in rations and living conditions.

2. Any action along the lines suggested would not be taken independently by the Canadian government. The Canadian government is in close contact with the other governments concerned as to the appropriate action to be taken in this connection, and the time at which it should be taken.

3. Switzerland is the protecting power for Canadian interests in Japan and Japanese occupied territories. All possible action is being taken to protect Canadian prisoners of war in enemy hands.

4. Some relief has been afforded to prisoners of war and civilian internees from supplies which were within the Hong Kong area, but it has not yet been possible to send in any assistance.

NATIONAL SALVAGE CAMPAIGN

Mr. FLEMING:

1. Does the national salvage campaign cover the industrial salvage field?

2. Have there been any special workers appointed by the department to stimulate industrial salvage?

3. If so, who are they?
4. What are their qualifications?
5. What are their salaries?
6. Who recommended them?
7. What area or areas does each appointee represent?
8. Have these men any special instructions or suggestions for industrial salvage?
9. Does the Minister think the field is being adequately covered?

Mr. THORSON:

1. Yes.

2. Yes; one.

3. F. C. B. Henstridge.

4. Many years' experience in industry and ability to carry out the policies as laid down by the national salvage office.

5. $3,300 per annum.

6. The Minister of National War Services.

7. No specific area, but generally all areas of concentration of industrial activity.

8. Yes. On January 8, 1942, a conference was convened at Ottawa of the various industrial associations in Canada for the purpose of discussing development of industrial salvage. It was agreed thereat that each association would create a salvage organization within itself, and through such organization arrange for active salvage operations in the various individual industries affiliated with the respective industrial organizations. The industrial salvage organizer has been instructed to keep in contact with these industrial associations to see that the work undertaken by them is done and he is also charged with the general responsibility of promoting salvage in individual industries.

9. The matter is under survey by the new director.

WOMEN'S VOLUNTARY SERVICES—DIRECTOR AND ASSISTANT DIRECTOR

Mr. FLEMING:

1. When was Mrs. W. E. West appointed director of the women's voluntary services?
2. What position did she hold before her appointment?
3. Who recommended her?
4. What salary is she receiving now?
5. When was Mrs. West's assistant, Miss Frieda Held, appointed?
6. What position did she hold before her appointment?
7. Who recommended her?
8. What salary is she receiving now?
9. Has the minister been informed as to the activities of these two appointees?

Mr. THORSON:

1. March 1, 1942.

2. Education: School of Social Service Administration, University of Chicago, Ph.B.; London School of Economics. 1924-26: Teacher and Social Welfare Worker, Winnipeg. 1926-30: Superintendent, Social Service Work, Windsor. 1931-33: Director of Emergency Relief, St. Catharines. 1934: Chief Supervisor, Hamilton Public Welfare Department. 1934-37: Asistant Deputy Minister, Public Welfare Department, Province of Ontario. 1937-40: Superintendent, Ontario Training School for Girls, Galt. 1940 to date of appointment: Housewife.

3. The Minister of National War Services.

4. $4,800 per annum.

5. March 1, 1942.

6. Education: School of Social Work, University of Toronto. 1920-35: On the staff of the Neighbourhood Workers' Association of Toronto. 1935-40: Supervisor of Field Services under Hon. David Croll, Minister of Public Welfare, Province of Ontario. Subsequently, assistant to the Deputy Minister of Public Welfare. February, 1940: Appointed Director of Welfare Council of Toronto, which position resigned in April 1940 on account of ill health. Since August, 1940, to date of appointment: Temporarily Supervisor of the War Guest Department of the Children's Aid Society of Toronto.

7. The Minister of National War Services.

8. $3,000 per annum.

9. Yes.

ARMY SERVICE RATIONS

Mr. STIRLING:

1. Are the following fruit juices included in the service rations, (a) grapefruit juice, (b) tomato juice?
2. Has the wartime prices and trade board, or any instrument thereof been instructed to purchase, (a) grapefruit juice, (b) tomato juice, for that purpose?
3. If so, in what quantities and at what prices?

Mr. HOWE:

1. (a) Yes.

(b) No.

2. (a) No. The Department of Munitions and Supply have received requisitions from the Department of National Defence to purchase grapefruit juice.

(b) No.

3. Contracts for grapefruit juice are being let for the month of June at competitive prices, but governed by the wartime prices and trade board ceilings. Estimated quantity required—approximately 30,000 cases per month.

PRICE CEILING SUBSIDIES—CANNED CITRUS FRUITS

Mr. CRUICKSHANK:

1. What amount has been paid to date as subsidy for canned citrus fruits?

2. What amount has been paid to date as subsidy for citrus fruit juices?

Mr. ILSLEY:

1. Nil.

2. $107,897.25 to May 29, 1942. The entire sum was paid on grapefruit juice which has now been declared ineligible for subsidy as of May 11, 1942.

WARDEN, QUE., WAR INDUSTRIES

Mr. LECLERC:

1. Has the government any interests in the International Flare & Signal Company, and MacDonald Chemicals Limited, of Warden, Quebec?

2. Is the government familiar with the scale of wages and salaries paid by these war industries?

3. Will a scale of wages and salaries be paid there equal to that paid in other war industries in the province of Quebec?

Mr. HOWE:

1. The International Flare and Signal Company, Waterloo, Quebec, is a privately-owned company to which war contracts have been awarded.

The MacDonald Chemicals Limited, Waterloo, Quebec, is a government-owned plant operated by the MacDonald Chemicals Limited, Waterloo, Quebec, on a management fee basis.

2. The government has knowledge of the schedules of wages being paid to workers in plants where war orders are being executed. These schedules are often established by agreement between employers and employees. Where no such agreements exist, the following labour condition with respect to wages is attached to each government contract:—

"All workmen, labourers or other persons who perform labour in or upon the work to be performed by the contractor shall be paid such wages as are generally accepted as current from time to time during the continuance of the contract for competent workmen in the district in which the work is being performed for the character or class of work in which they are respectively engaged, and if there be no current rate in such district, then a fair and reasonable rate."

Where workers receive salaries, the amounts in each case are fixed by mutual agreement between employer and employee.

3. Answered by 2.

[Mr. Howe.]

AID TO COASTAL MUNICIPALITIES FOR PROTECTION AGAINST ENEMY ATTACKS

Mr. ROY:

1. Has the government, through the medium of any of its branches, granted or does it propose to grant, aid to municipal bodies on the Atlantic coast to protect their municipalities from enemy attacks?

2. If so, what is the nature of such assistance, and upon what conditions has it been granted?

3. What municipalities to date, have profited by the arrangement and what further aid has been promised?

Mr. MACKENZIE (Vancouver Centre):

1. No; aid is extended to provinces for distribution to municipalities.

2. Equipment and instructional material, to be used in air raid precautions.

3. Answered by No. 1.

*GASOLINE RATIONING—MARITIME PROVINCES

Mr. HATFIELD:

1. If the gasoline coupons were cut from five gallons to four in Ontario and Quebec, would this release tank cars which might then be available to bring the coupon in the maritime provinces up to four gallons?

2. Could our railways handle extra tank cars if they were given to them for shipment to the maritime provinces?

3. Is the government giving consideration to any further plan that would bring the supply of gasoline in the maritime provinces up to par with the provinces of Ontario and Quebec?

Mr. HOWE: I have already answered these questions in the house. The answer to No. 1 is no. The answer to No. 2 is yes, if extra tank cars are available—which they are not. As to question No. 3, for the past several months the government has given continuous consideration to increasing supplies of petroleum for the maritime provinces.

Mr. HANSON (York-Sunbury): Is any crude oil reaching the refineries of the maritime provinces?

Mr. HOWE: Yes.

CANADIAN FORCES—WOMEN'S SECTIONS—INCOME TAX

Mrs. NIELSEN:

1. Are the officers of the women's sections of the fighting forces subject to income tax?

2. If so, will the government consider allowing exemption from income tax to such officers?

Mr. THORSON: To the extent the women's sections of the fighting forces are recognized as being part of the Canadian active service forces by the Department of National Defence the provisions of the Income War Tax Act for exempting the service pay and allow-

ances of officers and men of the Canadian active service forces will apply to the women's sections.

It is understood that the Canadian Women's Army Corps and R.C.A.F. women's division are already recognized as part of the Canadian active service forces.

Accordingly sections 4 (t) and 91 (4) of the Income War Tax Act will operate to exempt the service pay and allowances of these taxpayers from income and national defence taxes as therein provided. The exempting sections read as follows:

sec. 4 (t) "The following incomes shall not be liable to taxation hereunder:

(t) The service pay and allowances of—

(i) warrant officers, non-commissioned officers and men of the Canadian naval, military and air forces while in the Canadian active service forces, and

(ii) commissioned officers of the said forces while on active service beyond Canada, or on active service in Canada, whose duties are of such a character as are required normally to be performed afloat or in aircraft."

QUESTIONS PASSED AS ORDERS FOR RETURNS

PRICE CEILING—INCREASES IN BASIC RETAIL SELLING PRICES

Mr. BENCE:

1. With respect to how many articles has the wartime prices and trade board permitted the retail price ceiling to be broken?
2. Give a list of such articles, the basic retail selling price and the amount by which the board has permitted such basic retail selling prices to be increased?

Mr. ILSLEY: Return tabled.

OIL PROSPECTING IN QUEBEC PROVINCE

Mr. ROY:

1. Has the government given or offered concessions to any companies to encourage prospecting for oil in the province of Quebec?
2. If so, (a) what is the nature and value of these concessions; (b) who are the interested companies?
3. Has the government taken any steps to promote oil prospecting in Quebec?
4. If so, what has been done?

OIL TANK CARS

Mr. O'BRIEN:

1. How many tank cars, that is, railway cars suitable for the transportation of petroleum products, are, (a) owned by the Canadian National Railways; (b) owned by the other Canadian railway companies; (c) owned by Canadian oil companies; (d) owned by Canadian chemical companies; (e) owned by other Canadian companies or persons; (f) leased by any of the aforementioned companies or persons; (g) owned or leased by United States companies but used in Canada?

2. What is the total gallonage of all such tank cars which are presently in use for the transportation of petroleum products?
3. What products other than petroleum products are transported in tank cars?
4. What is the total gallonage of all tank cars presently in use for the transportation of products other than petroleum products?
5. What is the total gallonage of all tank cars which are not presently in use for the transportation of petroleum products but which could be diverted to such use?
6. For the periods April 22 to May 22, 1941, and 1942, or the nearest monthly period for which statistics are available, how many tank cars and with what total gallonage were engaged in transporting petroleum products for use in, (a) Prince Edward Island, (b) Nova Scotia, (c) New Brunswick, (d) Quebec, (e) Ontario, (f) Manitoba, (g) Saskatchewan, (h) Alberta, (i) British Columbia?
7. During these periods, how many tank cars, and with what total gallonage, were engaged within each such province transporting petroleum products from base points within the province to other points within the province?

DIGBY COUNTY, N.S., NAVAL BOAT CONSTRUCTION

Mr. BLACK (Cumberland):

1. How many minesweepers or other naval boats have been built at Meteghan river or at other points in Digby county, Nova Scotia?
2. Were these boats let by lump sum contract and to whom, and by whom were such boats built?
3. What were the contract prices for each such boat?
4. How many of these boats have been launched, stating dates of launching?
5. Have deliveries been made to and accepted by buyers?
6. If not, what were reasons for refusal or failure to accept deliveries?
7. What sums have been paid on account of each such boat?
8. What further sums are payable on each such boat?

TAXATION—INCOME, CORPORATION AND NATIONAL DEFENCE

Mr. O'BRIEN:

1. What are the boundaries of each of the income tax districts?
2. What was the total amount of, (a) personal income tax, (b) corporation income tax collected in each of the income tax districts for the fiscal years ending March 31, 1939, 1940, 1941 and 1942?
3. What was the total amount of national defence tax collected in each of the income tax districts for the fiscal years ending March 31, 1941 and 1942?

TAXATION—GASOLINE, SUCCESSION DUTY, ENTERTAINMENT AND EXCISE

Mr. O'BRIEN:

1. What is the total revenue, tabulated by provinces, which has been received from the federal gasoline tax since its imposition?
2. What is the total revenue, tabulated by provinces or income tax districts, which has been received under the Dominion Succession Duties Act since its coming into force?

3. What is the total revenue, tabulated by provinces, which has been received from the tax on entertainment since its imposition?

4. What was the total revenue, tabulated by provinces, which has been received from the excise tax on railway, steamship, motor-bus and aeroplane fares since its imposition?

HAMILTON TRADE SCHOOL

Mr. WHITE:

1. What was the total acreage purchased for the erection of the trade school at Hamilton?

2. From whom was the land purchased?

3. What was the purchase price of the land?

4. Was any agent employed in connection with the purchase of this land?

5. If so, what was the name of such agent?

6. What was the total amount of commission paid to him?

7. What is the name of the lawyer who acted for the government in the completion of this purchase?

8. What is the total amount of legal fees paid in connection therewith?

9. Did this property require to be filled?

10. If so, how many cubic yards of filling were required?

11. To whom was the contract for filling this property awarded?

12. Were tenders called, and if so, was the lowest tender accepted?

13. What was the total amount paid to the contractor for filling this property?

14. What is the grand total of the cost of this site?

15. To whom was the contract for the erection of the buildings awarded?

16. Were tenders called, and, if so, what were the names of the tenderers and the amount of each tender?

17. Was contract awarded to lowest tenderer?

18. What is the total cost of the buildings erected to date?

RESERVE ARMY—GOVERNMENT EMPLOYEES AT TRAINING CAMPS

Mr. HAZEN:

1. Do government employees in the reserve army, who go to summer camp for two weeks training, have to forfeit their civil pay during that period?

2. Do government employees, who attend these summer camps, forfeit part or all of their annual holidays?

3. What pay do government employees, who are privates in the reserve army, receive while attending camp with their reserve unit?

4. Is the pay sufficient for married men to support their wives and children?

5. Is any provision made to enable temporary government employees, known as prevailing rates men, who receive no holidays, to attend camp with reserve army units?

NATIONAL SALVAGE CAMPAIGN

Mr. FLEMING:

1. How many provincial field men or organizers are there in connection with the national salvage campaign?

2. Who appointed them?

[Mr. O'Brien.]

3. Upon whose recommendation?

4. What are their present salaries?

5. What do they do?

6. What did they do immediately prior to their present appointment?

7. What are their qualifications for salvage work?

8. Are the present appointees the only incumbents of these offices, or were there other appointees?

9. If so, why were their services dispensed with?

MILITARY SERVICE—LEAVE TO FISHERMEN DURING FISHING SEASON

Mr. ROY:

1. Has British Department of Food requested the shipment of fresh cod fillets or other fresh fish from Atlantic coast fishers for the current year?

2. If so, what quantity of each variety of fish?

3. Are there enough fishermen or labourers available to make this supply?

4. If not, what action is the government taking in order to release fishermen from military service during the fishing season?

5. Will the government grant leave for the duration of the fishing season to the fishermen of Gaspé and the Magdalen islands, who are now on military service?

6. If not, what other steps will the government take to permit fishing syndicates and other firms engaged in commercial fishing to fill their orders for fillets of fresh cod and other fish received from the British Ministry of Food?

HOUSING

Mr. CHURCH:

1. Will the present Housing Act be continued?

2. What representations have been made in favour of this policy?

3. What amount has been spent to date, (a) under the Housing Act; (b) by Wartime Housing Limited?

USE OF ALCOHOL IN PRODUCTION OF SYNTHETIC RUBBER

Mr. FULFORD:

1. What, in tons, was the production of spirituous liquors in Canada last year?

2. How many tons of commercial ethyl alcohol could have been recovered from this?

3. By present methods, how many tons of Buna-S synthetic rubber could thereby be produced?

4. Should the government adopt the policy of converting the distilling industry from liquor to alcohol, approximately how many bushels of wheat could be utilized by this one industry in the production of Buna-S rubber?

MOTIONS FOR PAPERS

NATIONAL FILM BOARD—EMPLOYMENT OF STAFF

Mr. STOKES:

For a copy of all rulings made by treasury board since November 1, 1940, on the question whether the National Film Board Act gives authority for employment of staff without prior

approval of the establishment by treasury board and also on the question whether the National Film Board Act should be interpreted as applying to persons employed casually for the duration of individual projects and not to any person continuously employed.

Mr. SPEAKER: Motion dropped.

Mr. BENCE:

For a copy of the opinion of the Department of Justice, referred to in sessional paper 211A, with respect to the application of order in council P.C. 4759, to persons employed under the provisions of the National Film Act.

Mr. SPEAKER: Motion dropped.

AIRCRAFT INDUSTRY—MORALE BUILDING CAMPAIGN

Mr. DIEFENBAKER:

For a copy of all letters, telegrams, reports, memoranda or other documents in the possession of the Minister of Munitions and Supply, the Minister of Finance, the director-general of aircraft production, the comptroller of the treasury, or of any official of said departments in any way referring to the morale-building campaign by E. G. Hirst, or with regard to any alteration in the terms of his appointment or the method of remuneration or reimbursement, and in particular granting to or refusing the aircraft companies concerned the right to charge any contribution made by them for the use of the said Hirst to overhead.

HAMILTON TRADE SCHOOL

Mr. WHITE:

For a copy of all letters, telegrams, reports, memoranda, contracts and other documents in possession of any department of the government with reference to the purchase of the property for the trade school at Hamilton and also with reference to the erection of the buildings on these premises.

CARGO VESSELS—VICTORIA MACHINERY DEPOT COMPANY LIMITED

Mr. WRIGHT:

For a copy of all contracts by and between the Department of Munitions and Supply and the Victoria Machinery Depot Company Limited, covering construction of cargo vessels by the said company.

Mr. HOWE: Return tabled.

LEASE OF TORONTO EXHIBITION PARK AND BUILDINGS

Mr. CHURCH:

For a copy of the agreement between the government and the city of Toronto and the Canadian national exhibition with reference to the lease of exhibition park and buildings thereon by the government for the duration of the war.

MILITARY SERVICE—ALAN C. WRIGHT

Mr. MacINNIS:

For a copy of all letters, telegrams, reports, memoranda and other documents in the possession of any department of the government with reference to the transfer of the registration card of Alan C. Wright, 61 Albany street, Toronto, to Vancouver, on or about April 27, 1942, and the order made on the said Alan C. Wright to report for military service under the National Resources Mobilization Act, 1940, and the return of the registration card of the said Alan C. Wright to Toronto and the cancellation of his service call.

Mr. THORSON: The passing of this motion should be made subject to all proper reservations with respect to privileged and confidential communciations.

HOUSING

FURTHER INQUIRY AS TO OPERATIONS UNDER EXISTING ACT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I wish to direct the attention of the Minister of Finance to the fact that on April 30, in reply to a question from the hon. member for Broadview (Mr. Church) the minister stated he expected within a week to be in a position to make a statement with regard to the housing situation. In view of the representations made by the conference of the Canadian association of mayors of municipalities last week, will the minister expedite the promise he made, and at the same time deal with other aspects of the policy to be adopted in respect of the housing problem?

Hon. J. L. ILSLEY (Minister of Finance): I really expected a question of this kind, because there has been a long delay since I promised to make a statement, if possible, within a week. A subcommittee of the war expenditures committee is taking some evidence in the matter, but my statement does not necessarily have to wait for the report of that subcommittee. I have been working on the matter whenever I had a minute to spare, and I certainly will comply with the request of the leader of the opposition to expedite the matter as much as possible.

MAGNETITE

INVESTIGATION OF GLENCOE, N.S., MAGNETIC IRON DEPOSITS

On the orders of the day:

Mr. M. E. McGARRY (Inverness-Richmond): Mr. Speaker, I should like to ask a question of the Minister of Munitions and Supply (Mr. Howe). Has he received a report following the investigation he authorized with respect to magnetic iron deposits at Glencoe, Inverness County?

Hon. C. D. HOWE (Minister of Munitions and Supply): The report has not reached me

and I doubt if my officers have had the time to make the necessary investigation. I shall be glad to make inquiries about it.

MILITARY SERVICE

CALLING OF MEN TO AGE THIRTY-FIVE—SELECTION BY LOT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Speaking in the house on Thursday, May 28, as reported on page 2872 of *Hansard,* the Minister of National War Services indicated that he would not be surprised if the age limit for men to be called up should be moved forward to thirty-five years within a very short time. The announcement that the age limit for compulsory service would be raised from twenty-four to thirty years was made by the Prime Minister (Mr. Mackenzie King) on March 24, as reported on page 1566 of *Hansard.* At that time the Prime Minister stated:

> It has also been decided to select the men to be called up for service by drawing lots over the whole field of those who are subject to the proclamation. As soon as the necessary administrative arrangements have been worked out for this plan of selection by lot, a detailed announcement will be made by the Minister of National War Services.

I now ask the minister, first, have the available single men between twenty-four and thirty years been practically exhausted? Second, has the minister abandoned the plan of selecting men by drawing lots, or is it intended to advance the age limit and to select the men within the given ages by lot? Third, if it is still intended to use the lottery method, when will the minister make the detailed statement announced by the Prime Minister?

Mr. POULIOT: Before the minister answers that question, I have a question to ask along the same line. Would the minister be kind enough to tell the house if the callable age will be advanced to eighty-five years for married men in order to include the leader of the opposition (Mr. Hanson)?

Hon. J. T. THORSON (Minister of National War Services): Mr. Speaker, with regard to the first question put by the leader of the opposition, the age groups from twenty-four to thirty years are not yet exhausted—

Mr. HANSON (York-Sunbury): Practically exhausted.

Mr. THORSON:—in their entirety, but the limit of exhaustion is quite close at hand in at least one division, and will be close at hand in perhaps two other divisions in about a month. With regard to the second question, I would say that the proposed plan of selecting men by lot from all the age groups that are subject to the proclamation has not been abandoned.

Mr. HANSON (York-Sunbury): It has not been announced.

Mr. THORSON: The administrative details, which are fairly intricate, have not been worked out.

Mr. HANSON (York-Sunbury): May I ask one additional question? In what military districts have the groups between the ages first mentioned been exhausted?

Mr. THORSON: In division C, the Kingston division.

WHEAT

AGREEMENT WITH WHEAT BOARD FOR FURTHER PURCHASES BY GREAT BRITAIN

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I should like to ask the Minister of Trade and Commerce (Mr. MacKinnon) two questions based upon the announcement which he made in this house on Friday last to the effect that a sale of 120,000,000 bushels of wheat to the British Ministry of Food had been consummated. The minister stated that this sale is on the basis of futures, October and December. He stated also that he had requested the British Ministry of Food to authorize him to make available the selling price. First, how could a sale have been made on the basis of October and December futures when they have not been opened yet on the Winnipeg exchange? Second, will the minister read to the house the cables which have passed between his department or the Canadian wheat board and the British Ministry of Food with respect to the request that he be authorized to announce the price, even if the price is not mentioned?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I could not quite follow the second part of the question asked by the hon. member for Qu'Appelle. I shall take note of it and answer it again.

Mr. PERLEY: What about the first one?

Mr. MacKINNON (Edmonton West): I shall answer them together.

Mr. CRERAR: I might say—

Mr. HANSON (York-Sunbury): Now we are going to get the real low-down.

Mr. CRERAR: I am not surprised that the leader of the opposition (Mr. Hanson) slumps down in his seat.

Mr. HANSON (York-Sunbury): I am not afraid of the minister, any time, anywhere.

Mr. CRERAR: I resent the imputation in the remarks of the leader of the opposition, and if he does what I expect him to do, he will withdraw them.

Mr. HANSON (York-Sunbury): I have nothing to withdraw.

Mr. CRERAR: When the leader of the opposition makes the comment, "Now we are going to get the real low-down," all I can say to him is that he does not increase his stature in this house by making a remark of that kind.

Mr. HANSON (York-Sunbury): Now I assume we will get the truth.

Mr. CRERAR: That remark is just as objectionable, but I am not going to get into an altercation with the leader of the opposition. The hon. member for Qu'Appelle asked how it was possible for the wheat board to make a sale for future delivery in the months of October and December when those months have not yet been quoted on the exchange. If my hon. friend will reflect, he will realize that that has nothing whatever to do with it. There is nothing to prevent the wheat board from making a sale of wheat for delivery in October, November, December, next May, or a year from now. That is all that is involved in the transaction.

Mr. PERLEY: Did they use futures, and was the trade cleared through Winnipeg?

Mr. ROSS (Moose Jaw): The hon. gentleman has never got it straight in his mind.

Mr. PERLEY: I should like to ask the Minister of Mines and Resources if any brokers were used in this transaction of futures?

Mr. CRERAR: I am quite sure that there were no brokers. This transaction was made direct by the wheat board with the cereals import committee.

Mr. PERLEY: It was never cleared through the clearing house? There is no record there.

Mr. SPEAKER: Order.

CIVIL SERVICE

INQUIRY AS TO ISSUANCE OF ORDER AFFECTING EMPLOYMENT DURING WAR PERIOD

On the orders of the day:

Mr. ROBERT FAIR (Battle River): May I ask the government or the appropriate minister whether any order has been issued freezing civil servants in their present positions until the end of the war? If such an order has not been passed, does the government contemplate taking this action?

Mr. SPEAKER: That question should be placed upon the order paper.

Hon. HUMPHREY MITCHELL (Minister of Labour): The answer is no.

ORDERS IN COUNCIL

EXPEDITING OF PUBLICATION OF ORDERS SUBSEQUENT TO DECEMBER 31, 1941

On the orders of the day:

Hon. GROTE STIRLING (Yale): May I ask the government if it would not be possible to hasten the publication of the orders in council relating to the war? The last volume I have is No. 5, which brings us only to December 31. Surely in five months' time we ought to have additional volumes.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): Volume No. 6 is now in course of preparation and will be available within the next few days. It is intended to have these issued more frequently in the future than they have been in the past.

BUSINESS OF THE HOUSE

WAR APPROPRIATION BILL—THE MINISTER OF AGRICULTURE

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): In connection with the two billion dollar war appropriation resolution, will the Minister of Agriculture come before the committee?

Hon. J. L. ILSLEY (Minister of Finance): If the house desires it, yes.

Mr. CRUICKSHANK: British Columbia certainly desires it, but I do not know whether that would be considered part of the house.

Mr. ROSS (Souris): So does Manitoba.

CANADIAN FORCES

PERSONNEL LISTED IN DEFENCE TELEPHONE DIRECTORY

On the orders of the day:

Mr. JEAN FRANÇOIS POULIOT (Témiscouata): I should like to ask the Minister of National Defence for Naval Services (Mr. Macdonald) for some information with regard to the telephone directory of the naval and army departments.

On May 27, at page 2806 of *Hansard*, the minister for naval services was kind enough to give the information requested in regard to

about one-third of those having their names in the telephone book, and he stated how many of them had resided in Canada for the past five years, how many had not, and how many were bilingual. Referring to my original question at page 2292 of *Hansard* I would ask the minister when I shall be given the information with respect to all the other officers listed in the telephone directory.

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Mr. Speaker, I think my hon. friend will have to direct that question to the ministers of the other two war departments, because I could not undertake to answer a question relating exclusively to the army or the air force. I would not have the information.

Mr. POULIOT: I thank the minister, but would he be kind enough to tell me when his colleague the Minister of National Defence (Mr. Ralston) will be here?

Mr. MACDONALD (Kingston City): The Minister of National Defence is on an inspection tour in western Canada and expects to be back in the city to-morrow afternoon or evening. I am sure that he will be in the house on Wednesday.

Mr. POULIOT: What time? Then we can go to the station.

WAR APPROPRIATION BILL

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

The house resumed from Friday, May 29, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Bradette in the chair.

FINANCE

Mr. POULIOT: Mr. Chairman, I would first ask the Minister of National War Services to be kind enough to table a list of the personnel of the information bureau, with their occupations.

Mr. ILSLEY: If the hon. gentleman will permit me, it is proposed to-day to take up finance. The request was made that I place on *Hansard* a break-down of the amounts required for the various departments of government other than the defence departments and the Department of Munitions and Supply. On March 17 I placed on *Hansard* a statement of the amounts required for those departments, $146,000,000, in round figures. I shall now with the consent of the house hand a break-down of that amount to *Hansard* for insertion in the record.

Mr. HANSON (York-Sunbury): Is it very long?

Mr. ILSLEY: Fairly long.

Mr. HANSON (York-Sunbury): Then I shall not ask the minister to read it.

Mr. ILSLEY: The hon. member for Lethbridge (Mr. Blackmore) requested that finance be taken up at an early day, and it was thought this would perhaps be an appropriate day. I will hand the statement to *Hansard:*

WAR APPROPRIATION, 1942-43

Amounts Submitted by Departments

Agriculture—			
Agricultural Supplies Board—			
Board Administration	$ 34,502		
Flax Fibre Administrator	22,780		
Fertilizer and Pesticides Administrator	20,397		
Seeds Administrator	9,498		
Flour and Feeds Administrator	55,000		
Programmes to encourage the Production of Essential War Supplies	230,000		
Purchase, Storage and Distribution of Agricultural Supplies	1,405,583		
Assistance in the Disposal of Agricultural Products rendered surplus by the War	3,700,000		
		$ 5,477,760	
Bacon Board—Administration		71,300	
Dairy Products Board		1,514,950	
Special Products Board		978,271	
Freight Assistance on Western Feed Grain		2,000,000	
Fertilizer Assistance		1,000,000	
			$11,042,281
Auditor General's Office—			
Auditing and Checking War Accounts			196,000
Civil Service Commission—			
Supply of Personnel for War Services			301,625

External Affairs—			
Administration and Passport Office		$ 265,000	
Representation Abroad		100,000	
Consular Services		5,500	
Evacuation of Staff from Abroad		5,000	
Evacuation of Offices Abroad		22,500	
Canada-United States Permanent Joint Board on Defence		5,000	
Canadian Section of the Joint Economic Committees		53,000	
			456,000
Finance—			
Comptroller of the Treasury, Dependents' Allowance Office and Outside Establishments		$ 4,979,617	
Royal Canadian Mint		116,289	
Premium for the Purchase of Dominion of Canada Registered Stock		725,000	
Wartime Prices and Trade Board—			
Administration	$ 3,380,000		
Subsidies under the Price Ceiling Order	50,000,000		
		53,380,000	
			59,200,906
Fisheries—			
Wartime Fisheries Advisory Committee			3,000
Justice—			
Expenses in connection with Prize Court		$ 50,000	
Expenses in connection with Administration of the Defence of Canada Regulations		50,000	
Salaries of staff appointed under War Measures Act		4,668	104,668
Labour—			
To provide for unpaid accounts 1941-42—			
Assistance to Necessitous Dependents of persons detained under the Defence of Canada Regulations	$ 8,150		
Payments in connection with the training of individuals for skilled or semi-skilled occupations connected with war work	303,500		
Payments in connection with the training of men for R.C.A.F. ground crews and for other aircraft trades	180,500		
Occupational History for each member of Canada's Armed Forces	2,500		
Vocational Training for members discharged from Canada's Armed Forces	1,300		
		$ 495,950	
Assistance to necessitous dependents of persons detained under Defence of Canada Regulations		77,000	
Assistance to the Province of Ontario in recruiting, transporting and placing labourers upon farms in the Province		60,000	
Administration Expenses connected with War Emergency Programme		38,300	
Interdepartmental Committee on Labour Coordination		22,340	
National Labour Supply Council		21,240	
National War Labour Board		351,310	
Occupational History for each Member of Canada's Armed Forces		4,500	
Payments in connection with training of individuals for skilled or semi-skilled occupations connected with war work		4,850,000	
Programme to train young men for aircraft manufacturing and as ground mechanics for the R.C.A.F., including pre-enlistment education for aircrew personnel		3,850,000	
Specialized Training for Aircraft Manufacturing		100,000	
Vocational Training for discharged members of Canada's Armed Forces		300,000	
Wartime Bureau of Technical Personnel		128,450	
			$10,299,090
Mines and Resources—			
Mines and Geology Branch—			
Explosives Division—Administration of the Regulations governing the possession, use and sale of explosives, established under the War Measures Act	$ 17,120		
Bureau of Mines—Metallic Minerals Division—Services to War Departments	75,000		
Services re War Requirements of Minerals	25,000		
Strategic Minerals—Exploration and Development Work	250,000		
		$ 367,120	

WAR APPROPRIATION, 1942-43—*Con.*

Amounts Submitted by Departments—*Con.*

Mines and Resources—*Concluded*			
Lands, Parks and Forests Branch—			
Dominion Forest Service—			
Internment Operations	$ 40,390		
Forest Products Laboratories	34,895		
National Parks Bureau—			
Alternative Service Work Camps	762,000		
		837,285	
Surveys and Engineering Branch—			
Engineering and Construction Service—			
Alternative Service Work Camps	$ 351,300		
Employment of Japanese Nationals	3,600,000		
Prince Rupert—Terrace—Cedarvale Highway	5,500,000		
		9,451,300	
Immigration Branch—			
Expenses in connection with British Evacuee Children	$ 2,300		
Grants to National Advisory Committee for Children from Overseas	125,000		
Expenses in connection with looking after Canadian Interests in Enemy and Enemy Controlled Territories	150,000		
Expenses in connection with looking after Canadian Interests Abroad apart from Enemy and Enemy Controlled Territories	25,000		
Detention of Alien Seamen who refuse to perform their regular duties	17,450		
General Expenditures in the British Isles and Canada arising from the War	25,700		
		345,450	
			11,001,155
National Harbours Board—			
Maintenance and Operation of Fire-Tug, Halifax Harbour			$ 49,230
National Revenue—			
Customs and Excise Division—			
Censorship of newspapers and other publications			4,100
National War Services—			
Departmental Administration		$ 90,520	
National Registration Division		231,635	
Mobilization Division—			
General		834,190	
Corps of (Civilian) Canadian Fire Fighters		800,000	
Public Information Division		1,345,500	
Salvage Division		235,750	
War Charities Division—			
General		31,260	
Auxiliary Services		6,000,000	
Women's Voluntary Services Division		29,360	
Radio Broadcasting Censorship		25,000	
Civilian Technical Corps		20,000	
Special War Film Library		40,000	
			9,683,215
Pensions and National Health—			
Pensions Branch—			
Treatment and Pension Examinations, Members and Ex-Members, Defence Forces (present war)	$ 3,500,000		
Treatment—R.C.M.P.	100,000		
Treatment of Canadian Fishermen and Seamen	5,000		
Pensions—Defence Forces, etc.	1,500,000		
Investigations—Dependents' Allowance Board	40,000		
Committee on Demobilization	20,000		
Committee on Reconstruction	20,000		
Post-Discharge Re-establishment	500,000		
Edmonton Hospital—Veterans' Pavilion	26,000		
Ste. Anne's Hospital, Ste. Anne de Bellevue, Quebec—Buildings	54,000		
		$ 5,765,000	

Pensions and National Health—*Concluded*			
Health Branch—			
Air Raid Precautions	$ 4,805,000		
Inspection of Industrial Plants	18,000		
Laboratory of Hygiene—Services for National Defence Department	15,000		
Public Health Engineering—			
Inspection of camps, barracks, airports	20,000		
Food and Drugs—Examination of supplies for National Defence Department	10,000		
Quarantine Service	60,000		
Hire of Boats—Halifax Harbour	14,400		
Processing, etc., of Blood	75,000		
Immigration Medical Inspection, Overseas Division—			
Evacuation from England	3,000		
Maintenance, medical and other care of incapacitated non-resident seamen pending deportation	10,000		
Detention Allowances—			
Canadian Seamen	150,000		
		5,180,400	
			10,945,400
Post Office—			
Postal Censorship		$631,063	
Canadian Postal Corps		189,169	
			820,232
Prime Minister's Office—			
Additional Expenditure due to the war			11,500
Privy Council—			
Office of the Registrar of Orders in Council			6,523
Public Works—			
Chief Architect's Branch—			
Ottawa—Extension to Jackson Building	$200,000		
Furniture, etc., for new employees	600,000		
Repairs, alterations, operation and maintenance of buildings	600,000		
Rentals	620,000		
Ottawa—Annex to Daly Building	40,000		
		$2,060,000	
Chief Engineer's Branch—			
Saint John (Courtenay Bay), N.B.—Dredging	$450,000		
Esquimalt, B.C., Dry Dock—Additional cost of operation	46,000		
		496,000	
Telegraph Branch—			
To provide 24-hour service on Pacific Coast		75,000	
Contingencies (Telephone Service and Unforeseen)		200,000	
			$ 2,831,000
Royal Canadian Mounted Police—			
Increased activities of the Force due to the War			4,452,063
Secretary of State—			
Internment Operations		$123,388	
Refugee Camps		45,938	
Press Censorship		110,765	
Department Generally		11,300	
Commission re Naturalization Certificates		10,000	
			301,391
Trade and Commerce—			
Canadian Shipping Board—			
Administration	$ 62,720		
Revolving Chartering Fund	500,000		
		$ 562,720	
Export Permit Branch		98,640	
Shipping Priorities Committee		15,740	
National Research Council		1,786,495	
			2,463,595

WAR APPROPRIATION, 1942-43— *Conc.*

Amounts Submitted by Departments—*Conc.*

Transport—			
Departmental Administration		$ 8,000	
Transport Controller's Office		137,000	
Director of Merchant Seamen—including administration, manning pools, nautical schools and welfare facilities		700,000	
Air Service—Special Radio interception and monitoring services, weather observation and teletype services, extra airport control systems and operation and maintenance of airports—			
Radio Service	$ 864,340		
Meteorological Service	523,430		
Civil Aviation—Air Traffic Control	201,520		
Civil Aviation—Operation and Maintenance of Airports	678,245		
		2,267,535	
Canals Service—			
Welland Canals (Revote)	$ 35,000		
Canals Generally	8,250		
		43,250	
Marine Service—			
Marine Service Steamers	$ 150,000		
Aids to Navigation	50,000		
Nautical Services	36,620		
Compensation to masters and crews of Canadian vessels for loss of personal effects	50,000		
Degaussing equipment for Canadian Merchant Ships	500,000		
		786,620	
Railway Service—			
Purchase of Railway Equipment (Advances)	$17,250,000		
Additional harbour and terminal facilities at Halifax	1,000,000		
		18,250,000	
Government Employees' Compensation Act, Administration		38,100	
			22,230,505

Mr. REID: I want to lodge a protest with the Minister of Finance against the present method of handling the agricultural affairs of this country, if the wartime prices and trade board is under the minister's control, which I believe it is. I think it is time that the attention of the house and the country was drawn to the fact that the wartime prices and trade board is dealing with agriculture, fisheries, and many other matters, and I am going to protest as loudly as I can against the present drift. The farmers are suffering from the low prices established on agricultural products. When you go to the Department of Agriculture they say: "We have nothing to do with it; you had better go to the Department of Finance." I protest strongly on behalf of the people of this country, and particularly the farmers, who are working like slaves below the cost of production. Things are getting so involved that you do not know what department to go to. When you want to deal with fisheries matters, you are told: "Under the wartime prices and trade board." When you want to deal with agricultural prices, you are told: "Under the wartime prices and trade board." When you want to deal with any matter almost, you are told: "Under the wartime prices and trade board."

[Mr. Ilsley.]

I have an advertisement here—I do not know who is advising the wartime prices and trade board—telling how much sugar children should have, and it says: "Children need sugar because it helps to build energy for active little bodies." Have they a doctor in the wartime prices and trade board who is advising them on matters of this kind? I warn this house and the country that there is a dangerous drift right now, and it is time to protest and to ask the minister where we are going.

Mr. HANSON (York-Sunbury): I think the protest by the hon. member for New Westminster is well founded. We have refrained from raising this question of controls because it is said to be unpatriotic to do so. That is the whole reason why this question has not been aired in parliament before now. The minister will have to say something in defence of this body that he has set up. I wish I had my files here. I could read what the minister said in this house on November 21, 1940, about price ceilings. I do not want to delay the committee, and I am not going to make a speech, but I suggest that hon. members read what the minister said in the debate on the address on November 21, 1940. I should like to quote what he said on that occasion. He

condemned price control out of hand. Then, after a long time, after somebody had sold him this idea; we had a complete reversal of attitude by the minister. The people of this country are bewildered.

I am in favour of control in war time to prevent inflation, if it can be done by any kind of decent method. I think the objective is good. I am not going to condemn it. But the whole difficulty is that they froze prices in this country on an uneven structure. There is the whole story. And they did it in an effort to do two things, to prevent the cost-of-living index from rising, and to prevent wages from rising. And who is the sufferer? The primary producer is the sufferer—absolutely. The wartime prices and trade board had thought for only certain factors in this body politic. They have had thought for the consumer; and of course he is entitled to consideration. But there are other people in this country besides the consumer. There is the wage earner, and above all there is the impoverished producer.

I am looking at the hon. member for Yarmouth. Go down into his community and see how the fishermen have been suffering because of the low prices of their commodities. Go into my community and see how the potato grower has been suffering, until this very year. Three years out of four he has operated at a loss, and in the fourth year, when he has a chance to recoup himself for the losses which he sustained in the three preceding years, a ceiling is placed on his product and he is told, "No; now that the opportunity is come for you to recoup yourself for the last three years you just cannot do it; you must shoulder your losses and pay them out of your capital."

This sort of thing has gone a long way, and I think it would be highly desirable to have a good wide-open discussion on it. I use a classic illustration, the question of hay. Hay is a prosaic commodity, but in the days gone by, in the Saint John valley and all across the river valleys of eastern Canada, it was a fine commodity and it sustained many a farmer. In the days of the automobile down to a comparatively recent period hay was a drug on the market. Last year it began to look up. Last year we had a good crop. What happened? When the farmers had just about completed the baling of their hay, at the period when hay is at its very lowest level of the whole year, between the 15th of September and the 11th of October, the price of baled hay was frozen. The trend of the market has always been upwards from October 1, to near the time when the new crop is in. Farmers in the Saint John river valley had the price of one of their principal commodities frozen, and it is unjust and unfair to these producers. I raise a protest on behalf of the hay farmers of the Saint John river and of the eastern townships and every other part of Canada.

Mr. CASTLEDEN: Right across Canada.

Mr. HANSON (York-Sunbury): Yes, you can see the same thing right across Canada. Here is something right under my nose, something which comes directly to my attention. It is something which many farmers are demanding to know. They are willing to make sacrifices for the war effort, but they see the huge prices which are being paid in the industrial areas; they see that 85 per cent of the increased national revenue is going to the wage earners, the consumers—and how much do these producers get? Nothing.

I think the hon. member for New Westminster deserves thanks for having raised this question. I am not going to carry it on now because I know that the minister is anxious to meet the wishes of the hon. member for Lethbridge, but this pot has been boiling a long time and somebody has to have the courage to deal with it. The whole subject has been dealt with without any plan at all; it is hit or miss, hit and run, trial and error, and the primary producer is the sufferer.

Mr. POULIOT: I wish to say just a word following the remarks of the hon. member for New Westminster (Mr. Reid) and the leader of the opposition (Mr. Hanson). It is to ask the minister to postpone this discussion until each member has had an opportunity of reading what the minister has produced. He is the only one who knows what is contained in the few sheets of paper he has handed to *Hansard;* therefore I think it would be unfair to all of us to insist that we continue the discussion now. The least that can be asked is that every hon. member should have the opportunity to read it in *Hansard,* and then the discussion should be much smoother; moreover, it will be orderly. At the present time, since we do not know what is before us, it is very hard for anyone to speak to the point. I hope the minister will be kind enough to appreciate this circumstance, and take up something else.

Mr. COLDWELL: I should like to support the leader of the opposition in some of his remarks.

Mr. HANSON (York-Sunbury): Hear, hear. A new convert!

Mr. COLDWELL: No, not a new convert at all, because as a matter of fact I suppose

the only group in this chamber which over a period of years has urged an intelligently planned economic structure is the group with which I am associated.

Mr. HANSON (York-Sunbury): Well, well, well.

Mr. COLDWELL: That is absolutely correct. But, you cannot have economic planning simply by imposing something in an arbitrary manner, and that is precisely the defect in connection with the control of prices. I am not complaining that the government did attempt to control prices. I think it was the proper thing to do under the existing circumstances. But the unfortunate feature of the whole thing was that they adopted arbitrarily the price level of a certain period, with the result that prices and wages which were out of line were frozen at those levels.

Those of us who come from the prairies remember that within the last few months we have had a long debate regarding a price level for wheat, and the price level for wheat was raised, I believe largely because of the pressure which was brought to bear by the western farm delegations and by various discussions in this house. But although the price of wheat was raised to a degree, it still was not brought up to a parity level. While we welcome the increases which were made, nevertheless we know perfectly well that there are other producers—the fishermen were mentioned a few moments ago; the producers of hay, the producers of other commodities, and then of course you have in some instances wages entirely out of line with those which are paid in other fields of endeavour. There are still people in this country who are getting less than 35 cents an hour and whose wages are more or less frozen at that level.

I believe it would be well if parliament would consider the matter of price control in a much wider and broader manner than it has been considered hitherto. When people look around and see some of the great manufacturing concerns engaged in war work increasing their net profits by very large amounts they naturally wonder just how that can be reconciled with the fact that producers of essential commodities are compelled to accept figures which are below the cost of production. We cannot solve this problem piecemeal; we cannot solve it by arbitrarily selecting a period and imposing an arbitrary price which is thereafter to prevail. What we should do is to endeavour to arrive at a fair basis of parity prices for at least primary and essential commodities, and then relate to that the wage levels and so on, so that there may be a measure of justice in the imposition of a price ceiling.

I do not propose to say more at this time, but when the budget is before the house I hope the minister will make a complete statement on the price ceiling and the policy in regard to it, and that at that time we may discuss the matter with more information at our disposal, so that we may be able to arrive at a better understanding of just what is being done. I am going to state, in fairness to the minister and those who advise him, that this is an attempt at least to prevent the price level from running away with itself, thereby bringing about a chaotic inflationary situation in this country.

Mr. ROSS (Souris): Following the remarks already made on this subject and the request of the hon. member for Fraser Valley (Mr. Cruickshank), I think the Minister of Agriculture should take some part in the discussion of this resolution. I know I have some questions I should like to ask with regard to the marketing of eggs, poultry and other agricultural products. There are some rather embarrassing matters connected with the marketing of these products which I think should be dealt with by the Minister of Agriculture under this measure.

I should like to say a word about the matter of controllers. I am satisfied that some of these controllers are given too much authority, and that they do not extend the proper cooperation to others in authority. A week or so ago I received some telegrams from my own community asking if permission could be obtained for the use of trucks to take people to certain school field days, which are held under the authority of the provincial department of education. In one of these telegrams it was pointed out that it would take ten or twelve automobiles and drivers to transport these children, while one truck and driver might be able to take them just as easily. You will realize the wastage of man-power and gasoline which could be avoided in that way. A government member from my province received a wire stating that some twenty automobiles and drivers would be required for this purpose, whereas the same number of people could be transported in one large truck. I spent most of the day with the officials concerned with this matter; I telephoned the controller in Toronto, but he refused to grant permission. The minister will realize that in the provinces we have public utility boards which have detailed information as to the operation of trucks, automobiles, buses, and so on. I suggest that the minister ask the controllers who have to do with

these matters to call a meeting of representatives of these utility boards in order to get the benefit of their experience, which extends over the last ten or fifteen years. In one day they would be able to obtain a great deal of useful advice, which might be of guidance to them when they consider issuing these drastic orders. If this is not done in the very near future the minister may not receive the cooperation on the part of the public which he and the government have been receiving up to this point.

I had the privilege of returning home last week and I was amazed at the number of agricultural producers who, irrespective of politics, are thoroughly disgusted with the manner in which these orders are being issued by the various controllers. These people are willing to sacrifice everything they have to buy bonds and war savings stamps; they will do everything possible to help win the war, but they do not like the way these orders are issued. Why, farmers who do not even attempt to operate cars but who own trucks are told that they cannot use those trucks to take their families to town to do the marketing. They are told they may not use their trucks to take their families to church on Sunday, which to me seems absurd. Then recently they were told that they may write to some divisional registrar and get a permit to use their trucks in this way if their application is approved. This system of controls and controllers needs looking into. It is creating an impossible situation in this country, which may develop into a very great hindrance to the war effort. I trust the minister will take this matter into consideration and see that some check is made.

Mr. BLACKMORE: Well, Mr. Chairman, I am a little at a loss to know where we are at to-day. I understood that the Minister of Finance was going to make a statement.

Mr. ILSLEY: No.

Mr. BLACKMORE: Perhaps I was misinformed; but the reason I asked that the Minister of Finance should come on and make a statement was that I realized that in addition to the problems which hon. members have brought forward thus far there are many other problems affecting the whole economy of Canada which have to do directly or indirectly with the Department of Finance. The hon. member for New Westminster put his finger upon a very sore spot, the cause of which simply must be removed; and in my opinion that matter should be discussed under this two billion dollar war appropriation. To the extent to which the Minister of Finance has in any way neglected to manage the economic affairs of Canada as they should be managed in the best interests of Canada, to that extent he is answerable to this house for the way in which he has administered his department. Therefore he should be brought to attention, shall I say, or called to account under this war appropriation.

I am particularly surprised to find that the leader of the opposition, who was so supinely willing to give up the discussion of this whole matter, apparently having concluded that it had been discussed sufficiently, should be so full of things to say even before he was in order. Now, however, all I want to do is find out whether or not the Minister of Finance is going to make a statement before we have any general discussion. I had concluded that he would, and I think it is the right way to proceed. Let the minister make his statement, as the other ministers have done already. Then let hon. members discuss, in an orderly fashion, the various aspects of that statement.

Mr. ILSLEY: I agree that at the moment the discussion is adrift. A request has been made that time be given hon. members to examine the statement which I placed on *Hansard* this afternoon. That is a reasonable request, and one which of course I cannot deny. It means that there will be days of discussion, but I have long since ceased to hope that this can be avoided, so that I think we will just have to reconcile ourselves to the inevitable. What I propose is that instead of going on with the finance part of these estimates this afternoon, we revert to national war services, which was opened up the other day, and that I come back on a later day, after hon. members have had an opportunity of examining the statement which I placed on record.

With regard to the proposal that I make a statement such as the defence ministers made, I want to avoid that if possible. I think it would be just a waste of time. I could make a review of the activities of the Department of Finance since I last presented a review of those activities to the House of Commons, but I seriously question whether that would be advisable, just on the eve of the budget. One of these days I am coming on with a budget speech; and we must have some little regard to the passage of time, otherwise we will be here until next September or October. I have placed a statement on record, including a break-down of the proposed expenditures covering the Department of Finance and the other departments. Hon. members want to look at that statement. As I have said, it seems to me a reasonable request; hon. members do not want to go on until they

have had a look at the figures. In connection with the Department of National War Services that is not necessary. That department has been before the committee for some time, so that perhaps we can go on and see if that department cannot be completed. That is the best I can do in connection with the problem of steering this discussion. With regard to what has been said this afternoon, I shall make no reply at the moment. I shall have to be in readiness to make a reply later with regard to the price ceiling policy, and so on.

Mr. BLACKMORE: Do I understand that the minister has already placed a statement on *Hansard*?

Mr. ILSLEY: Yes, this afternoon—merely a break-down of the proposed expenditures.

NATIONAL WAR SERVICES

Mr. POULIOT: I thank the Minister of Finance for acceding to the request for the postponement of any discussion on financial matters. Now here we are on national war services. In the first place I would ask the minister—

Mr. COLDWELL: I am sure the hon. member will not misunderstand me if I raise a point of order. On Friday afternoon the hon. member for Cape Breton South (Mr. Gillis) had almost completed his argument at six o'clock, and he would like to conclude his statement now, if the hon. member for Témiscouata does not mind.

Mr. POULIOT: I shall gladly agree to the suggestion of the hon. member. According to the rules I have the right to speak now, but just to show my spirit of fraternity I am delighted to give the hon. member for Cape Breton South an opportunity to conclude his remarks.

Mr. GILLIS: I want to thank the hon. member for Témiscouata for his cooperation; it is good to get a little from that side occasionally.

At the time of adjournment on Friday afternoon, I was endeavouring to point out that the boards now functioning for the purpose of calling men for military service would have to be reorganized if they are to do the job that has to be done. I think we gave the minister concrete evidence of that in the situation which arose in Toronto, where an important aeroplane plant was disrupted by having some four hundred of its trained men called for military service, some of whom had been declared medically unfit only a short time before. I was endeavouring, not for the purpose of criticizing but with the desire to help, to point out that I have considerable confidence in the people who are handling the national selective service, and I suggested that if the industries which are all-important to the war effort are to be protected in future, national selective service will have to have some considerable say on the boards that are calling up men for military service.

My conception of the whole situation now is that most of the men who will be called for military service in the different age groups in the future will come from industry, perhaps from industries that are essential. In view of the definite regulations laid down to be administered by the national selective service authorities, they will have to be given some representation on these boards, and some say, because the emphasis now is not on whether a man is eligible for service but rather on how essential he may be in industry. In that connection I am wondering whether national selective service has any latitude with respect to men who may be taken from industry. When we adjourned on Friday I was pointing out that there is considerable apprehension on the part of employees in the steel industry. For example, I had a letter from the secretary of lodge No. 1064, of the steel workers' union, at Sydney, Nova Scotia, where in one plant there are some 4,000 or 5,000 employees who are members of this union. In this letter it was pointed out that at that time, May 6, it was rumoured that instructions recently had been issued to all employers to prepare to release all men between the ages of twenty-one and thirty, and in this letter the fear was expressed that if the matter were left solely to the employers it could be done in a discriminatory manner, that a company policy of favoritism could be imposed. There is every justification for that expression of fear on the part of the members of the union. It is pleasant to be charitable, to think along charitable lines and to presuppose that the other fellow is as honest and patriotic as you are. Unfortunately the experience of these unions in the past does not give them much confidence in what the companies may do. The employer now has the right to go before the board—

Mr. MITCHELL: It is the employee who has the right to make the application.

Mr. GILLIS: But the employer has the right to appear before the board, and he makes the decision as to whether or not the employee is essential. In an organized plant you have men who are active in the union and who consistently work toward the raising of the standard of living of the employees. As a rule men of that calibre are not very well liked by the employers; so that

if one of them should be called for military service, regardless of how essential he may be to the industry it would be an easy matter for the employer to decide that he was not so essential, and to shift him out. I do not think it is asking too much on behalf of the working people to ask that labour be given representation on these boards. It must be done if they are to function properly, particularly when you have as chairman a judge who is impartial but who in most cases has not had much experience with the problems of the common people or the essentiality of men in industry.

In the west the farmers are represented on the boards. That is all to the good, since agriculture is the industry directly affected there. In the industrial sections, where the employer has an opportunity to be called in, labour should be represented. After all we must remember that it is the employee who is being regimented. His are the liberties that are being taken away. He is not making any great protest against that; all he asks is that the government give him equal representation on the board which decides whether or not he is most essential to industry or to the armed forces. I do not think that is asking too much. The miners, the farmers, the steel workers and all other organized workers already have demonstrated in many ways that they are deeply concerned in winning the war. I do not think any group in Canada is more cognizant of the necessity of winning the war than the organized workers of this country; for they know something of nazism and what it stands for and what they may expect in the future if we lose. I submit therefore that arrangements should be made to have the officials of the unions sit in with the board. These call-ups will not be made so very often. A board does not have to sit continuously. If it is necessary to take 400 or a 1,000 men from a given industry, I do not think it is too much to ask that the organized workers sit in with that board and decide whether a man is more essential here, turning out aeroplanes, tanks or other equipment vital to the war effort, or whether he is more essential to the army. That is all they are asking. I leave that thought with the minister for his consideration.

Before this discussion is concluded I should be glad if the minister would give us some information as to the latitude allowed in connection with national selective service. We have set up a national organization. From what I have gathered, that organization is in the hands of a very capable man. Has he sufficient latitude in administering the regulations, in connection with the particular angle of calling men for military service? Has he the latitude to administer that organization as he sees fit, under the regulations, or is he subject to direction and control by national war services, agriculture, pensions and national health, and labour? The ramifications of these regulations reach into all these departments.

In addition I should like to ask the minister whether any consideration has been given to this aspect of the matter: Canada has not unlimited man-power. To a large extent she will be the arsenal of the British empire. Upon his recent visit to Canada General McNaughton stated that so far as Canada was concerned emphasis would have to be placed on war production. What proportion of the man-power of Canada is to be placed in the armed forces? After consultation with representatives of other allied nations has the government reached any understanding as to what is necessary for Canada by way of man-power, recognizing of course that at the same time, for the duration of the war, we shall have to maintain industrial production in Canada to an extent undreamed of in the past?

Mr. THORSON: Mr. Chairman, the hon. member for Cape Breton South has raised questions of prime importance, which will require careful consideration not only by hon. members but by the people of Canada generally.

Before dealing specifically with the points raised by the hon. member toward the conclusion of his address, I should like to attempt to clear up some misunderstanding which may be in his mind. If he will read the statement made by the Prime Minister on March 24 he will see that in the main the national selective service system is placed under the jurisdiction of the Department of Labour, but he will also see that the administration of the compulsory features of the national selective service system, in so far as it relates to the calling of men for military training, and subsequently for service in the army for the duration of the war, is in the Department of National War Services.

On a number of occasions I have pointed out the composition of the divisional boards, of which there are thirteen. Each board consists of three members, headed by a judge of a superior court or some other court of the province in which the major portion of the division is located. Then there are four persons who have the right to appear before and make representations to the board. They

are not members of the board, but have the right to appear before it and make whatever representations they deem fit.

Mr. GILLIS: Who are these people?

Mr. THORSON: One of them is a representative of the Department of National Defence. He is usually a serving officer of that department, and is assigned by it to that particular duty. The second representative is from the national war labour board, and is appointed by and representative of that body. The third representative is from agriculture. Then there is also the representative of the director of national selective service, who has the right to appear before and make representations to the board.

The idea behind the scheme is that the representatives of the Department of National Defence, the national war labour board and agriculture are present to see that the interests, if I may use that expression, of those three groups, and the war objectives I mentioned some time ago, are safeguarded. I pointed out earlier that there were three war objectives, namely the raising of armed forces, the production of munitions of war and other war materials, and the supplying of food for shipment overseas. Let us look upon these as our three war objectives. These representatives when appearing before the board are, in a sense, guardians of those three objectives.

Mr. GILLIS: My point is that at present there is no one in authority to safeguard the production end of the matter.

Mr. THORSON: Oh, yes; I do not think the hon. member and I are very far apart, in reality. For example, the purpose of having a representative from the national war labour board is to see that the needs of essential industry are safeguarded. It would be his duty to indicate to the board his opinion as to whether a man should be called for military training, or whether his call should be postponed on the ground of his being essential to war industry or being attached to some other necessary activities.

Mr. GILLIS: What is the function of the national selective service representative?

Mr. THORSON: We recently added to the list of representatives the representative of the director of national selective service. He is there to see that so far as possible the best disposition of individual cases is made. So that in reality those persons with whom my hon. friend is chiefly concerned have two guardians, namely, the representative of the national war labour board and that of the director of national selective service.

[Mr. Thorson.]

Mr. MacINNIS: That depends on who the representative of the national war labour board would be.

Mr. THORSON: In all these matters the personal factor must enter; but the purpose of having these representatives appear before the board and make their representations to it is that of effecting a safeguard with respect to the various aspects and objectives of the war effort.

Mr. CASTLEDEN: Do the boards consider these cases before the men are called, or do they function in the manner indicated after applications for postponements have been made?

Mr. THORSON: The general practice is that the divisional registrar will send out a notice to report for medical examination. He will not know the position of any particular individual. If a man is rated category A-1, and does not make any application for postponement, the notice to report for military training at a certain training centre goes out to him in due course.

Mr. CASTLEDEN: What opportunity would he have of knowing in what category he was placed, if his own family physician did not tell him? Then, what opportunity would he have to ask for postponement?

Mr. THORSON: When he gets the notice to report for medical examination, at the same time, through a memorandum of instructions he receives, he is advised as to his right to apply for postponement.

Mr. FLEMING: How would he know in what category he was?

Mr. THORSON: I should like to reply to the hon. member for Cape Breton South, if I may. In a sense the board is really operating in respect of persons who have received notices to report for medical examination and have applied for the postponement of their military training—the board is operating a selective service system based upon the consideration of each individual case.

A man makes application for postponement, let us say on the ground that he is essential to war industry. The facts with regard to that man are on his card, but there may be other facts available. The representative of the Department of National Defence has a chance to make his representations. The representative of the national war labour board has the right to make his representations. There is also present a representative of the director of national selective service. Furthermore, the employer has a right to give evidence before the board as to the nature

of the man's work, whether or not he can support the employee's application for postponement upon the ground that he is essential to war industry. The board attempts to ascertain whether the considerations are such that the man should go to military training, or whether his military training should be postponed. They consider each individual case from the point of view of all the facts. They hear whatever evidence is forthcoming with regard to the man's case. The various representatives make their representations. I think it may fairly be said that the board is operating a national selective service system when considering all the facts in a particular individual's case. After hearing the evidence in support of a man's application for postponement and the representations made on his behalf, the board makes its decision in the matter, which is final. In making this decision it is really operating a national selective service system on an individual basis.

Mr. NOSEWORTHY: Is it not true that the onus for the selective service rests upon the indivdual? Suppose a tool-maker were called up; whether he remains in industry or goes into the army will depend upon whether he asks for exemption.

Mr. THORSON: Asks for postponement, yes.

Mr. NOSEWORTHY: Whether a man stays in industry or goes into the army depends upon whether he asks for postponement. That is what governs, not that Mr. Little or anyone else makes the decision. The final decision rests with the man who is called.

Mr. THORSON: In respect of the man who is quite willing to go into military training when he is called. The system does not entirely end there, because there is an arrangement with national defence under which a man may be brought out of the army under certain circumstances if he is considered a key man in war industry. Under the present system he cannot be brought out against his own will. We have not yet reached the point where a man can be pulled out of the army and put back into industry against his own will.

Mr. NOSEWORTHY: Can he be taken from one industry and placed in another against his own will?

Mr. THORSON: We have not reached that stage either. I do not want to be guilty of the charge laid against me by the hon. member for Cape Breton South that I am answering for other departments. However, I think I have stuck to my own department to a far greater extent than the hon. member for Cape Breton South has indicated. The boards try to arrive at a disposition of these cases according to certain principles, which are set out in the main in section 14 of the regulations. The board must consider certain classes of application from the point of view of the national interest and of all the surrounding circumstances. A study of the figures that have been given will indicate that the boards across Canada have looked with great care at these applications for postponement, and that the representatives of the various interests that I have mentioned have in the main done their duty and have safeguarded these various purposes in relation to the war effort.

Mr. HANSON (York-Sunbury): Is there any uniformity in the decisions across the country? Is it not a fact that in some places they construe them quite narrowly while in others wide latitude is given?

Mr. THORSON: The figures which I placed on *Hansard* some time ago indicate that there is a certain spread.

Mr. HANSON (York-Sunbury): In Quebec it is very wide and in Saskatchewan it is quite low.

Mr. THORSON: No, that is absolutely not right.

Mr. HANSON (York-Sunbury): That is the deduction I make from the figures.

Mr. THORSON: I am sure my hon. friend does not want to be unfair to any portion of Canada in connection with the granting of applications for postponement. The figures and percentages were placed on *Hansard* on May 11 and May 18.

Mr. COLDWELL: I am trying to get this straight in my own mind because I am receiving a number of letters from people in western Canada. The minister said that the initiative in the application for postponement must come from the individual.

Mr. THORSON: That is right.

Mr. COLDWELL: Look at the Prime Minister's speech of March 24, at page 1566 of *Hansard*, where he said:

> The liability to compulsory military service will continue to be general for the age categories affected. The burden of demonstrating the case for postponements is unchanged, except in the case of persons wholly or mainly employed in agriculture on March 23, 1942, as defined in the amended national war services regulations.

Mr. THORSON: Will the hon. gentleman read the next sentence?

Mr. COLDWELL: He goes on:

One of the man-power problems with which the country is faced is the growing shortage of agricultural labour. Means, accordingly, have had to be devised to ensure that the supply of farm labour it not depleted. To that end, regulations have been enacted to stabilize employment in agriculture.

Mr. THORSON: Keep on reading, please. The next sentence is the one.

Mr. COLDWELL: He goes on:

With three exceptions, the regulations provide that no male person wholly or mainly employed in agriculture on March 23, 1942, as defined by the regulations shall enter into any employment outside agriculture unless he has obtained written permission from the national selective service officer to enter such employment. They also provide that no person shall take into employment outside agriculture, any male person wholly or mainly employed in agriculture unless such male person has obtained such permission.

Mr. THORSON: Then a statement follows to the effect that persons wholly or mainly employed in agriculture will not normally be called up for military training.

Mr. COLDWELL: I will read the next sentence:

The three exceptions provided for are active service in the armed forces by voluntary enlistment, seasonal employment in a primary industry, and compulsory military training if it is established that the person concerned is not an essential worker in agriculture.

But it has to be established that the man is not an essential worker in agriculture. That is the whole point. It is the interpretation of this speech and of the regulations in different parts of Canada that is causing all the difficulty.

Mr. THORSON: My hon. friend has made a great deal out of that point of view. We have already covered in detail the application of the regulations relating to persons wholly or mainly employed in agriculture, on May 11 and again on May 18, and several times since then. I think it is perfectly clear, both from the Prime Minister's speech in the house and from my official press release of April 17, what the government's policy is. It was also fully dealt with by the conference of chairmen and registrars of the administrative divisions and I do not think I can usefully add anything to what has been already said.

With regard to the point of view put forward by the leader of the opposition, there is, I agree, a certain amount of apparent lack of uniformity in dealing with applications for postponement. Before one can conclude whether that apparent lack of uniformity is real or only apparent he must have possession of all the facts and of the differences of situations in the various provinces. But that there is some variation is unquestioned; I do not see how you can get away from some variation when you have the personal factor and, what is more important than anything else, when you have each decision made upon the facts of that particular situation.

Let me now come to some of the specific points raised by the hon. member for Cape Breton South. He spoke of organized workers and their willingness to cooperate to the fullest extent in the war effort. I should like to pay my tribute to the manner in which workers in every part of Canada have answered the call when it was made to them.

The board must find the facts as to whether it is in the national interest that a man should receive postponement from military training if, for example, he is in a war industry. They must find that as a question of fact. They hear representations and take evidence. Furthermore all the boards, I think in all parts of Canada, where there are large centres or where there is a considerable concentration of war industry in their divisions, have visited those industries and know pretty well their whole set-up. In a number of the divisions at any rate the whole situation relating to war industry has been worked out. The board knows pretty well who are the essential indispensable key men, who are the highly skilled men and who are the semi-skilled men; they know who are the beginners and learners. This system of working out plans for dealing with war industry in the large centres has been highly satisfactory.

When my hon. friend says that the boards need not sit continuously, I may say to him that to deal with individuals in the way that I have indicated becomes increasingly difficult and takes an increasing amount of time as the number of persons who come before the boards for review grows.

The director of national service has not the deciding say in the matter of compulsory calling of men for military training and subsequent service in the Canadian army for the duration of the war. That is not a function of the director of national selective service. The director has a great many other functions, but this function is not one of them. It is a function that is performed by the Department of National War Services through the thirteen administrative boards I have mentioned and operating in the way I have indicated.

I agree with my hon. friend that Canada has not unlimited man-power. and it therefore becomes a matter of the utmost importance to utilize such man-power as exists in the best possible way and in such a manner as will

make for the greatest effectiveness in the war effort of our country. It may be difficult at any one stage to say which of the three objectives I have mentioned is the most important at any one time. The Minister of National Defence has indicated what our objective in the matter of the armed forces is so far as man-power requirements are concerned. Roughly it is that we should have by the end of March, 1943, something over 600,000 enlisted men in our armed forces—that is, in the army, in the air force and in the navy—he has given a breakdown of that. He indicated also what the strength of the armed forces was at the time he made that statement. Similarly, the Minister of Munitions and Supply indicated the man-power requirements for his programme: that we have 600,000 persons engaged in war industry production, and that it was expected that another 100,000 would be employed therein by the end of March, 1943, and that a large part of the additional personnel would be women.

That is the programme which has been set, and it is believed that there is sufficient man-power to carry it out. That is the programme relating to the armed forces which was laid down by the Minister of National Defence, and the programme with regard to munitions production which was laid down by the Minister of Munitions and Supply, at the same time holding for agriculture the persons who are allocated to agriculture as a result of recent regulations relating to it. When we reach the objective of that particular programme we shall have to consider, of course, where we go from there. At this particular stage I do not see how it would be possible to indicate too far in advance what the respective objectives in the matter of man-power requirements should be. At the present time we are trying to attain all the objectives which I have mentioned as we have set them. In other words we are marching abreast towards the fulfilment of the programme which I have outlined. So far as the call-up for military training is concerned, in some divisions of Canada we are almost at the stage of exhaustion of the men in the age groups that we have called up thus far, and in other parts of Canada we are getting very close to that stage. As I indicated earlier, the reserves of man-power available for call for military training and subsequent service in the army vary in different parts of the country, as a result of many different causes.

Mr. DIEFENBAKER: Would the minister allow a question at this point? Apparently a survey has been made to ascertain how many men within the various age limits are still available for service. Is the minister in a position to say that the point of exhaustion is being approached in certain military districts? Will he give the committee the figures showing the numbers in the different districts between ages 21 and 24 and 24 to 30 who are still available for war service?

Mr. THORSON: That may not be so easy to do. I indicated at one stage that when we had the figures showing, for example, the impact of recent agricultural regulations on the man-power situation we would be in a better position to readjust the break-down of the requisitions that come from the Department of National Defence to the Department of National War Services.

Mr. HANSON (York-Sunbury): They only ask you for so many men.

Mr. THORSON: We will then be very close to the information which the hon. member for Lake Centre has in mind.

Mr. DIEFENBAKER: The information must be available, on the basis of national registration, which will show exactly the number of young men in the various age classes and the records of the numbers who have been called up.

Mr. THORSON: Oh, yes.

Mr. DIEFENBAKER: Then we would necessarily have, by a simple subtraction, the numbers that are available, both medically fit and unfit.

Mr. THORSON: I think I put on *Hansard* last November figures showing the numbers of men in each age group straight across Canada, by administrative divisions, and I think by provinces as well.

Mr. DIEFENBAKER: Then it is necessary to get enlistments, too, and calls.

Mr. THORSON: If you deduct from that the number of enlistments and the number of calls you would have still a great many deductions to make. You have the large deduction of persons who are below category A-1 at the present time. I think I could name quite a number of deductions which would have to be made, in respect of persons who are engaged in essential occupations—war industry, agriculture and other occupations which are in the national interest.

Mr. DIEFENBAKER: Mr. Chairman, there is only one way in which the minister can possibly say that the point of exhaustion is being arrived at, and that this committee may know just whether selective service is needed to-day, and that is to have the statistics of the pool of men who, if they would

enlist, would be available for service. I cannot understand the answer of the minister this afternoon when he stated that, after the expiration of two months, the government is still not in a position to advise this committee and the country when the system of calling men by lot is to be brought into effect, and what the nature of the system will be.

Mr. POULIOT: Just before the minister answers, I do not think the hon. member for Lake Centre (Mr. Diefenbaker) is fair to the minister. There is not a minister who has been more extensive in his remarks and in his answers—

Mr. THORSON: That is another way of putting it!

Mr. POULIOT: —than the Minister of National War Services. The hon. member for Lake Centre is asking for a tabulation. I wonder if he himself could recite a page of logarithms and give all sorts of figures of the kind. I know he understands my point, because he is a bright lawyer and an experienced debater, and he cannot expect the minister to give him off the bat such a number of figures. I am sure the minister will give him the information as soon as he has had time to tabulate it. Ministers may come here with their officials, but no one comes here with an adding machine and a typewriter to give information in this cafeteria for statistics. My hon. friend knows better than that.

If I am permitted I will tell the minister what my understanding is of the working of the department in getting men. It seems to me that the three defence departments, army, navy and air, are using the Department of National War Services for gathering men just the same as they apply to the Department of Munitions and Supply for munitions and supplies. The Department of National War Services, in that respect, is acting pretty much the same as the Department of Munitions and Supply and is helping the Department of National Defence. The requisitions for men come naturally through the Department of National Defence—from the three defence departments.

Mr. THORSON: From one.

Mr. POULIOT: They come to the Department of National War Services. According to a news item that appeared not long ago, on May 16, in the press, draftees can now switch to the navy or the air force, but they must enlist either in the air force or in the navy before they are called by the Department of National War Services for training. It is a new step towards disguised conscription, and I do not appreciate that method of dealing with trainees, because sometimes some of them have been waiting for a considerable period to get an answer from the board and they have to enlist at once either in the navy or in the air force, if they have inclinations towards those branches of the service, if they want to be accepted; otherwise they have not that choice any longer.

The change mentioned by the Prime Minister in his statement of March 24 indicated that the *onus probandi*, the weight of evidence, had been altered. First, it was the draftee, the trainee or the conscript who had to prove that his training should be delayed for one reason or another, and then it was up to the board to decide whether the evidence was enough to justify such a delay. Now when a trainee states that he is indispensable to the farm and asks for a delay it is the duty of the board or of someone else connected with the board to show that such is not the case, that the man is not indispensable to the farm.

Mr. HANSON (York-Sunbury): The law is the other way. The young man who applies must prove his case.

Mr. POULIOT: I am coming to that. All that was required according to the regulations was that the draftee when he was called had to undergo his medical examination, something he always had to do, and then write to the registrar informing him of the reasons why it was impossible for him to go. That was the former practice. But now, although it is said that the statement of the draftee that he is indispensable to farming is prima facie evidence, and although that has been broadcast in the press, the practice is altogether different from that indicated in the statements that have been given to the press. The young man has to give a sworn statement to the effect that he is a bona fide farmer, that his presence on the farm is indispensable, and then the board does not require contrary evidence to refuse his request. But the board takes upon itself to accept or reject such evidence, which seems contrary to the statement made by the Prime Minister, and contrary to what the Minister of National War Services has just said.

If we take the request of the young men in the army who have to get leave to help their parents on the farm, the procedure is much more complicated. There must be a sworn request giving all data and sworn to by the draftee himself; and in the second place there must be two other sworn statements of persons who are not related to him. How can it be said afterwards that the weight of

evidence has been transferred from the private individual to the state when the private individual is required to bring forth so much, and especially when the board many times pays no attention to that evidence and decides just the same as if there were weightier contrary evidence when there is none? Take the case of a particular farmer. Let us call him A. He is a young man whose father and mother are dead and he is the only support of his younger brothers and sisters. The condition of his health is not very good and he earns enough money in civil life to provide support for the whole family. That young man is in the position of a married man with a family, and if he brings his case, supported by the mayor and by the parish priest and proves that it is a cruel hardship, the board can come to this decision: No; we will pay no attention to that evidence; go to your training. And then if a young man who is already in the army submits his request to his commanding officer, the commanding officer is supposed to transmit that request to the board. But it is optional with him. He can refuse. He may grant certain leave, but on the other hand he may say, "No, I will simply keep that request on my desk".

I have here the case of a young man, E-615935, a soldier at Valcartier, who on April 27 submitted his request for leave to his commanding officer and up to May 27 had heard nothing about it. It is very embarrassing to leave people under a false impression. Of course I believe that everything that has been said about it has been said in good faith; but when boys who were on the farms saw in the press that on March 23 all those who were then on the farm were frozen on the farm, they said: "What is the use of reporting? We are already exempt; at last we have that exemption that we had during the last war." Moreover, the newspapers gave a good deal of publicity to the matter and those boys who were in good faith found to their surprise afterwards that they were deserters because they stayed on the farm and worked there on the very day when all those who were doing so were supposed to be exempt. I want hon. members to understand the situation.

An hon. MEMBER: Nobody can understand it.

Mr. POULIOT: I am trying to explain what happened, and I admit it is a cobweb. But what I want hon. members to understand is that these young men are acting in good faith and they have been deceived by statements made in good faith. But not only that. The situation looks complicated, but it is really much worse. There is a distinction between those who had one month of training and those who had four months. It is a subtle distinction that must have originated in the mind of that eminent counsel who before the war was lobbyist de luxe for John de Kuyper's concoction.

An hon. MEMBER: You don't like John de Kuyper?

Mr. POULIOT: It is not that, but I do not see how anyone can describe as eminent counsel one who was a lobbyist de luxe for John de Kuyper's concoction.

An hon. MEMBER: Who was he?

Mr. POULIOT: That will come out in due course. Here is the case of E-615608. I have a sworn statement which I will summarize. It is the case of a young farmer. He said that on December 22 he was on temporary leave and visited his family and did not return to the camp and they told him he was a deserter. He stayed with his father to help him with his work on the farm. The father needed him. He said his father's farm consisted of 200 acres, of which 135 were cultivated, and that on the farm there were five horses, twelve cows, four calves, twelve hogs; sheep, hens and chickens. He was the only son who could help his father in the work. That was why he could not return to the camp. This letter is dated May 2, but this young man was on the farm on March 23 and notwithstanding that, he is supposed to be a deserter.

Here is the case of F-13800, another farmer's son, whose father is very ill. There is a certificate from the hospital stating that the father has been in hospital and that he cannot work on the farm. The farm is a large one. There is a certificate from the mayor who is also warden of the county, and it is impossible for that young man to get an answer from the board.

Here is another case, that of a son of a baker who was sick and could not work. This is the case of F-67322. The father could not work and was replaced by his eldest son who did the work in the bakery. The boy went to his training and was replaced by his younger brother. The younger brother is needed at home because he is the support of the family during his father's illness. The case has been submitted to the board but there has been no answer yet.

I have received very many letters. I will only read two that have come to me, one from the county of Bonaventure and the other

from St. Valérien, Rimouski county. I will send a copy to the minister. He is a linguist and knows both languages very well. I quote:

(Translation)

St-Charles Caplan, May 28, 1942.

Sir,

Although I am not a resident of your constituency, I beg leave to submit my case to you. I am a farmer and the only son I have who might be of assistance to me is undergoing military training. I have tried in vain to have him released for the summer in order that I might have the help I need on my farms, and the steps I have taken are as follows.

I wrote to Mr. Henri Paul Drouin (reg.), and to Capt. Laniel, of Rimouski. I was referred to Colonel Chaloult, of Quebec. My son was sent to Three Rivers; I wrote to Colonel Forbes, forwarding under the same cover a letter from the parish priest, signed by the mayor, asking that an investigation be made on the spot, if necessary, following which I mailed two other communications. You may appreciate success of my endeavours when I tell you that all I have received, since March 31 last, was a reply stating that my request had been referred to the Department of National Defence.

I own three farms, three hundred chickens, one hundred hens, twenty-three head of cattle, four horses, one tractor and twelve hogs. I have a family of seventeen children to look after, the eldest of whom are girls. My only helpers are a cripple who spent five years in a hospital and is unable to work hard, and a grandson of thirteen who still attends Sunday school. You will easily see that I cannot get along without additional assistance. Although I do my best, I must perforce neglect a great many things. The authorities encourage agricultural production and at the same time deprive me of the only valuable assistance I had. Is this fair? I am already exhausted, and the work is far from done. I hope, Mr. Member, that you will not remain indifferent to my appeal, for otherwise I do not know to whom I should turn in order to obtain a modicum of justice.

You may be sure that I shall be very grateful for anything you do on my behalf.

Yours faithfully,

That is one. The other one is from Rimouski, and is as follows:

St-Valérien, May 27, 1942.

Dear Sir,

You may find it strange to receive a letter from a resident of another constituency, especially on this subject, but a friend in Rimouski advised me to write to you.

Here is my problem: I have a son who entered the army on Dec. 4; he is a farmer's son and we absolutely need him on the land. I requested that he be allowed to return home during seed-time and to help me build a barn. However, no leave was granted to him. I have lost the only helper I could really count on, and I have six acres of land by forty in length. . . .

He says his farm is one of 240 acres. It continues:

. . . I have a youngster with me, but he is not accustomed to handling farm machinery.

My son underwent two months' training in Three Rivers and Rimouski, was then sent to Sherbrooke and from there to Sussex, N.B. He again applied for leave in Sussex, and they seem to be taking this under consideration. If you were able to assist us in the matter, I think we could succeed. We did not object to his undergoing four months' training, but we would like to have had him on the farm at seed-time and until after the harvest. It is too bad to see him penned in down there when he loves the land so much. During his three days' leave, he took time out to plough a field.

In conclusion, I trust that you will be able to help us. I shall need his services badly when I start to build my barn in June.

(Text) This is another case with respect to a young man, a farmer, who took advantage of his three days of leave to do some ploughing.

Mr. HANSON (York-Sunbury): Did he overstay?

Mr. POULIOT: No; he went back to his regiment. We complain of the shortness of the delay in making the call; the young men have no time to present their cases to the board. I have in mind the case of F-21457. This was a young man who had been sick at home, and who was notified that if he did not go at once for his medical examination the mounted police would be sent after him. This happened during the winter when there were enormous snowbanks on the ground, and it was very cold. This young man had to leave his bed to go for medical examination.

This sort of thing has happened not only in Quebec; the same has happened at Cornwall. A returned man, who is working in the House of Commons, came to me to complain about the way in which his son had been treated at Cornwall. The boy had been home, and while home had developed pleurisy. However, the military authorities wanted him at once in Cornwall, and they brought him back in a truck.

Mr. FLEMING: Who did?

Mr. POULIOT: The army military police. Then I have in mind another case with respect to a young man who was placed in category A.

Mr. POTTIER: How many cases has the hon. member?

Mr. POULIOT: If my hon. friend has some cases in his constituency, he will be free to bring them to the attention of the committee. If he is not interested, he may go back behind the curtain and smoke a cigarette. I am working for my electors, and no power will prevent me from defending them. Besides that, I am not affected by jeers or ridicule; they leave me entirely indifferent. If my hon. friend wants to know how many cases I have, he has only to listen to me and count on his fingers, to save time. I do not wish to be offensive; I

like the hon. member for Shelburne-Yarmouth-Clare; he is a friend of mine, but I will not stand for any interruptions when I am defending the case of a farmer in this country.

Mr. FLEMING: And the hon. member is making a good job of it.

Mr. POULIOT: I do not know whether it is good or bad, but I do my duty to the best of my ability. I am sorry I have not the eloquence of some hon. members. This is not funny work; my files are open to all, and it will be seen that I look after my people. Moreover, I have an office at Rivière du Loup just to look after farmers' sons; that is the only work my secretary is doing there. There is also the tremendous amount of correspondence I have here. I attend to that seriously; it is not a joke. Anyone can call me this or that; I do not care. But when it comes to the defence of my electors, I am behind them, because I know they stand by me when I need them.

Not only have I cases from my constituency; I have some from Ottawa. For instance, here is the case of Mr. James O'Meara, of 67 Redpath street, Ottawa, who speaks for his son. This is a general complaint about the way in which things are being done. I do not blame the minister, but I wish him to understand what is happening. I am willing to cooperate with him, and I am also ready to help him redress the wrong. Wrongs must be redressed.

If we must have conscription, then let us see that we have conscription, and we shall know where we stand. But when we are hearing about a voluntary system, and people having no opportunity to defend themselves, I find it unjust and unfair. That is why I fight for my people. I believe we have a voluntary system, and I believe in the law; this is a matter of law. But if we are to have conscription, then let us say, "there is conscription for overseas. We do not want to bother about the defence of this country. We are thinking about the defence of other lands." If we hear that, then we shall know where we stand and what to say. But as long as we have the so-called voluntary system, and as long as the voluntary system is not working well, it is the duty of each member of parliament to defend his electors. He should explain the cases having to do with farmers. We are not yet eating soya beans, but I hear that experiments have been made. If soya beans are used, the farmers will be even more useful. We need the farmers; they are essential and vital to our war effort. They are just as vital as the soldiers, because if there were no farmers the soldiers would not be fed.

I hold in my hand a certificate dated August 16, 1941, from the record office of the Ottawa General hospital, which states:

This is to certify that Harold O'Meara was a patient in the Ottawa General hospital from April 17, to August 6, 1933. He was treated for a traumatic cataract.

Then, I have a letter from C. E. Ruddy, addressed to Mr. James O'Meara as follows:

Your letter in reference to your son, Pte. Harold O'Meara, has been received.

Your representations regarding your son's disability, are not consistent with the findings of the medical examiners. On enlistment his eyes were given the usual rigid test and he was rated category A. He was re-examined a few days ago as to both physical condition and eyesight and his category confirmed. Therefore he is definitely fit for active service.

The following letter dated September 12, 1941, is from Miss O. J. Waters, private secretary to the Minister of National Defence (Mr. Ralston):

Mr. Ralston has asked me to acknowledge receipt of your letter of 11th September, in which you advise that your son Harold O'Meara, who is serving with the Ordnance Corps at Camp Borden, has an eye disability.

I am at once bringing your letter to the attention of the appropriate officers of the department in order that they may know of this condition.

I now quote the following letter between the same parties:

I have for acknowledgment your letter of October 9th, in which you make further enquiries regarding your son, C.38005, Private Harold O'Meara.

Your previous letter was referred to the appropriate officers of the department in order that your son's eye condition might be investigated. I shall be glad to refer your further enquiry to the officers concerned, with the request that they forward you the latest information regarding your son's physical condition.

Yours very truly,

O. J. Waters,

Private Secretary.

Then on November 11 there is a letter from the acting deputy minister to Mr. James O'Meara, which reads:

With further reference to your letters of 11th September and 9th October, addressed to the Minister of National Defence, I wish to advise you that your complaint regarding your son's eyesight was referred to the appropriate military authorities and advice has been received that Pte. O'Meara was medically examined and found to be in category A by a medical board, immediately prior to his departure overseas.

However, a letter has now been written to Canadian military headquarters overseas advising of the eye operation performed on your son in 1933, and requesting that his eyesight be examined and report forwarded to national defence headquarters.

When this information has been received you will be further advised.

There is another letter to Mr. O'Meara from the acting deputy minister dated February 4, that reads:

I acknowledge receipt of your letter of the 29th January, 1942, which was forwarded to me by the Department of National War Services. A cable has been sent to Canadian military headquarters, England, asking for a statement as to your son's condition, and you will be further informed as soon as a reply has been received.

The next letter on the file is from Captain R. Fraser, for Colonel L. P. Sherwood, Ottawa area command, and it reads:

Your letter of March 14, 1942, addressed to Captain Williams, R.C.O.C., Lansdowne park, has been passed to this H.Q. for attention.

Upon investigating this case it has been found that a Harold O'Meara, giving his address of 67 Redpath street, presented himself for enlistment in the first Canadian ordnance field park, R.C.O.C., and was medically categorized E for high blood pressure. He was declared unfit for military service at the time, July 3, 1941.

Joseph O'Meara came in for medical examination from the recruiting office, 93 Sparks street, and was medically categorized B2, defective vision of right eye.

Would you supply this H.Q. with more specific information regarding your son Harold as record here indicates that he was turned down on account of failing to meet physical standard required.

Your son Joseph was taken on strength No. 3 district depot in March 14 order. His present age would appear to be over eighteen years and is eligible for general service. He cannot be sent overseas until he is nineteen years of age.

For your information, please.

It is quite extraordinary to read in this letter that the Department of National Defence must ask a father to give evidence as to whether his son is sick. The next letter has reference to the information received from England. In England they came to an entirely different conclusion. This man was first placed in category E; then a month later he was placed in category A and later in England he was placed in another category. The letter reads:

Cable advice has been received to the effect that your son, Pte. H. W. O'Meara, C38005, has been medically boarded in England and placed in category C1.

Ordinarily category C1 means that a soldier is fit for service in Canada only. However, permission has been granted to retain category C1 men in England if their services are required there.

I am unable, therefore, to advise you as to whether or not your son will be returned to Canada because he has been lowered in category.

That is just one case. There is no excuse for such things happening. We should try to have a reform. There are some fellow members who are medical practitioners, such as the hon. member for Humboldt (Mr. Fleming) and the hon. member for Parkdale (Mr. Bruce) who is the dean of his profession, and I think they will agree with me that these medical examinations should be carried out with greater care. When the older Mr. O'Meara wrote to the Department of National Defence he was sent from pillar to post, and his son had to cross the Atlantic in order to get a grading more in conformity with the facts. Is this not absurd? I ask my colleagues to help me in getting this reform. It will be for the good of all. It is a bad thing when a man who is not medically fit is taken into the army just to satisfy the pride of the officer in charge of enlistments.

I realize that the minister is busy; I know he has one of the most ungrateful tasks in the whole government. He can rely upon me to help him, but we should not try to help him by agreeing with everything that is done. It is up to us to point out the bad spots so that he can use all the means at his disposal to bring about reform for the improvement of his department and the improvement of the army. I have many other cases to which I could refer. We cannot discuss these matters theoretically; we must bring up concrete cases.

The O'Meara case is a scandal, and I have other similar cases which occurred in my constituency. However, there has been an improvement in my district simply because I have fought hard over certain cases. I do not want to have to take charge of Kingston district, but when a man comes in and shows me correspondence like that it is my duty to place it on *Hansard*. I do not wish to have much to do with the Minister of National Defence because he is like Fabius, who used to temporize. It takes just as long to get an answer from the minister as it does to get results from squeezing a stone. If the Minister of National Defence cannot understand the arguments put forward by members of parliament, his colleagues may. It is with that hope that I make this argument. I expect to have some support, even inside the cabinet, in the reform of the wrongdoings in the Department of National Defence.

We see what is going on, and we want to improve the welfare of the soldier. We want to see that his sons and daughters are kept healthy. We want our soldiers to be well looked after and receive the proper treatment, not only when they are undergoing medical examination but when they are on sick parade. I know my hon. friends who are medical practitioners will be scandalized when I tell them that at the citadel at Quebec a soldier appeared on sick parade. The captain, the so-called doctor, asked him, "What is the matter with

you?" He said, "I have a rupture." Do hon. members know what the answer of that doctor was? He said, "Get a good rub for the rupture." The man who was to give the rub was a lumberjack, with hands just as long as poles and as rough as sandpaper. He was to give a rubbing for a rupture. My medical colleague, the hon. member for Humboldt smiles, but it is true. I have the actual file. Sometimes men who have been declared physically fit and classed in category A have come to my office and I have started my medical examination. Without pursuing it too far, I discovered that one man was suffering from a rupture—he was rejected and put in category E—another man had chronic appendicitis, and there was also a case of goitre. I just asked them questions, and I found that the fault was just as much the local doctor's as the army doctor's. All of the doctors seem to want to send men, whether fit or not, into the army. The more the better seems to be their policy, without taking into consideration the actual state of health of the man. All these practices must stop.

Now that I have had my turn I will give way so that other hon. members may bring before the committee all their complaints.

Mr. GREEN: There are three suggestions I should like to bring before the minister, each one of them having to do with the mobilization division of his Department of National War Services. That division, by the way, is a very important division and becoming more important every month as more and more men are called up for service.

My first suggestion has to do with the groups of young Canadians who are to be called up for military training and the order in which they are to be called. Last Thursday the minister made an announcement which was of the greatest importance, even though the announcement came out in the wash, so to speak, in the midst of questioning. It will be found at page 2872 of *Hansard,* where the minister is reported to have said:

> But when we move the age group up—
>
> Mr. Cruickshank: If.
>
> Mr. Thorson: Not if, when. We will probably move up the age group very soon. We are now calling the age group of from twenty-one to thirty years, and I would not be at all surprised if we moved that forward to thirty-five years within a very short time.

I repeat, that was a very important announcement. For me it signified that there is uncertainty in the ministry as to the order in which these young Canadians are to be called up. There is also great uncertainty in this house; not one of us here can tell his constituents what men are to be called up next. There is also uncertainty in the press. The result of the minister's announcement on Thursday night was that the press published such headlines as this, in the Montreal *Star* of Friday, May 30:

> Pool of single men for draft running low. Extension of plans to 1907 class leads to married men.

From the Ottawa *Journal* of the same date I read this heading:

> Married men may be called to the army. Start with those who were twenty-one in July, 1940.

The first paragraph of the article, which I think appeared in most of the large Canadian dailies, reads thus:

> With mobilization authorities apparently scraping near the bottom of the pool of available single men of prime military age, the time draws nearer when married men may be called up for compulsory military service.

The result will be that there will be even greater uncertainty in the minds of the Canadian people. Let the minister picture the position of the men who may be called up to serve: for example, single men and widowers without children in the age group from thirty-one to thirty-five, the same classes of men in the age group from thirty-six to forty-five, the single men of nineteen and twenty, and the younger married men. All of these Canadians are wondering when they are to be called or whether they are to be called or not, and there is the greatest confusion.

It seems to me that the lack of a clear-cut policy is neither sound nor fair. Our people are entitled to know, and to know well in advance, what groups are to be called up next. Indeed they are entitled to know in what order the groups are to be called, so that men can adjust their lives accordingly; and not only that the men can adjust their lives, but that their families and the firms for which they work and other people with whom they are connected can also make the necessary arrangements. There is at present too much mystery about the whole matter. The ministry should decide without delay upon a policy as to the groups to be called next, the order in which they are to be called, and approximately when these groups will be called for service. Not only should they decide upon such a policy, but they should most carefully explain it to the Canadian people. It affects the lives of hundreds of thousands of Canadians, and there will be no success in the working out of the policy unless it is most carefully explained to our people. That is my first suggestion.

The second is that the selection of men by lot from the groups called should be started now, without further delay. The switchover to this lottery system seems to be bound up tightly in red tape. Some of us advocated selection by lot many, many months ago. That system has been used in the United States from the start, where even before the war they called up men in the age group from twenty-one to thirty-five—I think those were the ages—by lot. This selection by lot is admittedly the fairer way. The minister himself said so. I quote his remarks at page 2312 of *Hansard:*

> . . . we intend to change that method of calling men, and to make the call applicable to all the men in all the age groups covered by the proclamation. That is to be done by a system of drawing by lot. Back of that is the view—

Here are the important words:

> Back of that is the view that that would be a more equitable manner of making the call. At present all men up to thirty years of age are covered by the proclamation, and are liable to call. It is now proposed to call these men by lot, and all the men in all the age groups subject to the proclamation will take their chances in the draw.

That was promised over two months ago by the Prime Minister, when he spoke in this house on March 24, and said, as reported at page 1566 of *Hansard:*

> It has also been decided to select the men to be called up for service by drawing lots over the whole field of those who are subject to the proclamation.

When the minister himself spoke on May 11 he said that as soon as they could work out the administrative difficulties the call-up would be by lot, but as yet the government is selecting these men by juniority, as the minister said the other night. I think he was inventing a word, but it described the process very well, which is that the system so far has been to take the youngest age group and to go through that group before going into the next one.

The picture, as I understand it, is this. First of all, practically all of our men from twenty-two to twenty-six inclusive have already been taken in previous calls.

Mr. THORSON: Not in all parts of Canada.

Mr. GREEN: The great majority of men of these ages have been taken, have they not?

Mr. THORSON: It varies in different parts of Canada.

Mr. GREEN: The call on March 24 was for those who would be twenty-one this year and for men who would be twenty-seven, twenty-eight, twenty-nine and thirty during the present year. The minister on November 12 last placed on *Hansard,* page 4303, the figures of the single men in Canada as found by the national registration. I will not give the figures of each of these age groups that are now subject to call, but they total 291,838. Of that number, almost one-half, it is to be assumed, are unfit, so that approximately 150,000 men would be available. There have, however, been thousands upon thousands of enlistments from these groups, and if I am informed correctly the government has no accurate record of how many from these or any other groups have enlisted since national registration.

Mr. HANSON (York-Sunbury): They must have.

Mr. GREEN: No; they have no accurate record of the number who have enlisted. For example, we find in this morning's Ottawa *Citizen* a dispatch from Brockville district:

> District man overseas receives his call-up.
> Although he has been overseas for almost a year, Mrs. Maurice Grigsby, Hubbell street, received a registered letter from national defence headquarters, for her husband, Lieutenant M. G. Grigsby, notifying him of his call-up for a medical examination previous to entering a basic training centre for compulsory military training. Lieutenant Grigsby, who enlisted here more than a year ago, and who was the first Brockville boy to graduate from the officers' training centre, is with the R.C.A.S.C. He was recently made adjutant of his unit overseas.

Another case, which came to my attention two weeks ago, was that of a lad from Vancouver who received a call for service while home on his embarkation leave—having been in the army for nearly two years and won his commission.

An hon. MEMBER: Some of them are dead.

Mr. GREEN: So I repeat that the government has no accurate record of how many young men have enlisted; to that extent it is working in the dark. Then, the figure of 150,000 would be further reduced by the numbers of farmers, farm labourers, and others who are exempted—for example, men in war industry. We have this picture, that the groups which were called on March 24 are now used up in some of the districts and nearly used up in others, so that there is little chance of many of these men being selected by lot. For them a call-up by lot is a farce; it is, I repeat, a farce as far as these men are concerned. In the group to which the minister referred the other night, single men and widowers from thirty-one to thirty-five inclusive, without children, there will be probably

much the same situation. They, according to the national registration, numbered 140,944, and from that one would have to deduct about half as unfit.

Mr. THORSON: More than that.

Mr. GREEN: They are older men, and the percentage of unfit will accordingly be larger. Many of them, too, have enlisted. So that there is not a great number of men in that group.

Mr. THORSON: No.

Mr. GREEN: I repeat that there should be no delay in beginning this selection by lot. Let the administrative staff shear through the red tape and get this new system started.

The third suggestion is that there should be no further delay in extending the liability for military service to all residents of Canada, whether citizens or not. The Prime Minister said on March 24, as reported in *Hansard* at page 1566:

> Liability for compulsory military service is, at present, confined to citizens of Canada. It has been decided to extend this liability to all residents of Canada, whether citizens or not, as far as may be expedient in the light of all the circumstances.

Yet none of these non-citizens have been called up. When will they be called? This house and the Canadian people are entitled to know. I would remind the Minister of National War Services of his speech the other evening on equality of sacrifice, a speech which I thought was excellent. Yet here we have this situation: thousands and thousands of Canadian citizens have been called up, and in thousands of these cases their jobs have been taken over by young men of the same age who are not Canadian citizens and, in some instances, are enemy aliens but not interned. The Canadian people cannot be convinced that there is equality of sacrifice as long as that condition continues. It is unfair and dangerous that there should be such a long delay in calling up these non-citizens. I suggest that young men who are citizens of countries which are allies or are neutral should be called just as though they were Canadian citizens and should be put into the forces, and that enemy aliens who are not interned should be called for labour work; let them be put in a civilian construction corps. The government announced some months ago that that was to be done with some of the men of Japanese origin, but as far as I know the plan has never been worked out. I warn the government that this condition must be remedied. We must not leave these non-citizens free to take the jobs of young Canadians who are being called up.

Those are the suggestions which I have for the minister. May I add something which, to a degree, is in his defence. I think one reason for the lack of a clear-cut policy on the calling up of men, for the delay in calling up by lot and for the delay in calling non-citizens is that, while the responsibility for getting men remains with the Department of National War Services, the power has been shifted to the Department of Labour.

Mr. THORSON: No, no.

Mr. GREEN: On March 24, selective service plans were announced. The orders in council then filed included one which transferred national registration, the records thereof and everything having to do with that registration to the Department of Labour. Therefore, when the Department of National War Services wants to call men, it must go to the Department of Labour, if you please, to get information.

Mr. THORSON: Not at all. We have all the cards for the single men up to forty-five in the divisions.

Mr. GREEN: Well, if the minister's department wants to get further information on any men, it must go to the Department of Labour.

Mr. THORSON: No; we have all the cards relating to all men up to forty-five in the divisions.

Mr. GREEN: I am trying to help the minister out, and he would be wise to keep still and let me fight his case for him. Another handicap is that under the same orders in council the director of national selective service has been put under the Deparment of Labour, not under the Department of National War Services. In other words, the emphasis has been placed on men for war industries rather than on men for the armed forces, and the result has been and will be confusion, and fewer men for the services. The Department of National War Services should have the last word on all those men in the age groups that have been called or are eventually to be called. This department is of vital importance, and, as I said in the beginning, is becoming more and more important all the time as more men are called. It can do more than any other department to bring about equality of sacrifice in the war effort and to keep high the morale of the Canadian people. But neither of these great

objectives will be reached if there are indecision and delay—which exist at the present time unfortunately—in connection with phases of the work of the department such as the three that I have mentioned: what groups are to be called and in what order; selection by lot; and the calling up of non-citizens.

Mr. THORSON: The hon. member for Vancouver South (Mr. Green) has raised a number of questions which are really related to certain questions which the hon. member for Lake Centre (Mr. Diefenbaker) put a little earlier. I have been waiting for the first opportunity to deal with some of the questions put by the hon. member for Lake Centre. The question of how many men are available for military training and subsequent service in the army for the duration of the war is not an easy one to determine, for this reason. We know how many persons have received notices to report for medical examination. Those go out in the ordinary course. Then we know the number of men who have been rejected as being below category A1; and as we go into the higher age groups and deal with persons whose physical condition is not as good as the condition of those of earlier years, we run into an increasingly high percentage of persons who are found not medically fit for service in the armed forces. Then we have postponements on various grounds that have been mentioned. These postponements, in the opinion of the boards, at any rate, are made on the ground of national interest. If they are made on that basis and there are no more persons in the divisions to whom to send notices, except of course that there is always the continuing number of persons who become twenty-one, we can say—it is only relative, I will admit—that we have reached the point of exhaustion of our man-power reserve if we continue the men postponed in occupations which thus far have been deemed to be essential. That man-power pool or reserve for the purposes of the armed forces can be enlarged in these cases—

Mr. DIEFENBAKER: In the future.

Mr. THORSON: —but only if we strip war industry or agriculture or other essential occupations of their man-power requirements. Whether it would be wise to do that depends upon the state of affairs at any one time; it depends upon the importance of any particular aspect or objective of the war effort at any one time. That, I think, was stressed by the hon. member for Cape Breton South (Mr. Gillis), who expressed great concern for the steel workers in connection with the war effort. At one stage of the war it may be absolutely essential to the successful prosecution of our effort that men should not be taken out of war industry; yet who can tell what situation may develop, depending upon emergencies? It is hard to say, therefore, just what is the absolute limit of our man-power reserve, and I do not think we can make a purely statistical approach to the question of man-power reserve by reason of the many deductions that have to be made from statistical figures.

Mr. HANSON (York-Sunbury): But does that not depend upon the objective—the number of men that the government proposes to have in the army, and the number of reinforcements that are necessary to keep them going (a) in war time and (b), which is much more important, during the time when casualties begin to roll in?

Mr. THORSON: Quite so.

Mr. GREEN: And does it not depend upon how hard it is to beat the Germans and the Japs?

Mr. THORSON: Of course, that is the important thing, and it may be that man-power for purposes of the armed forces may be the most imperative need above all other needs. All I suggest is that we cannot be arbitrary in stating the priorities at any one time. I think the programme of our armed forces is based on an increase in the capital strength of the armed forces, and it is also based, as I understood the Minister of National Defence (Mr. Ralston), on two reserves of reinforcements. The one is the usual wastage reserve, which is fairly well known, month by month, and the other is the battle casualty reserve, which of course is a matter of estimate. There were a number of other points raised by the hon. member for Vancouver South, but it is now six o'clock.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. THORSON: I was about to deal with some of the matters raised by the hon. member for Vancouver South. I appreciate what he said about the uncertainty in the minds of many men in this country as to the time when they will be called for military training and service for the duration of the war. But while I appreciate that uncertainty, I should also say that if we are to make the utmost use of our man-power reserve, and if we are to march toward the attainment of

our various war objectives concurrently, we cannot avoid the feeling of uncertainty to which my hon. friend made reference; for war itself is a matter of uncertainty.

Mr. GREEN: But why could the government not say which groups are to be called next; in other words, give the order of the groups?

Mr. THORSON: Thus far we have been calling men by age groups, dealing with the lowest age group first, then marching into the next age group above that, and so on. I think it well when we reach, or come close to, the exhaustion of a set of age groups subject to proclamation, that we should indicate that fact in plenty of time, so that young men may be able to put their affairs in order. I think it is fairer to young men to make the announcement some time in advance of the time when they will be subject to call.

I agree with the hon. member for Vancouver South in his expression of hope that the system of selecting men by lot may be put into effect as soon as possible. I think it is a fairer system than that in force at present, of exhausting a complete age group before going into a subsequent group. I think the system of selection by lot is very much fairer. Then everybody takes his chance by the lot. I can assure my hon. friend that the administrative matters which must be attended to before that system can be put into effect take some time to complete.

Mr. GREEN: When will the lot system be put into effect?

Mr. THORSON: I would not like to say. I should like to see the system in operation for the July call; but whether or not the administrative details can be worked out in order to make the system applicable to the July call, I cannot say at the moment. I can only assure my hon. friend that the matter is being worked on intensively.

My hon. friend made reference to one other matter, namely that notices to report for medical examination are sometimes sent out to persons who have already enlisted. In some instances that is absolutely inevitable, because the man who has enlisted does not notify anyone of his enlistment. He may enlist in one part of Canada while the address on his registration card is in another part of Canada, and it takes some time for those facts to reach the various registration divisions.

Mr. GREEN: Does the Department of National Defence not notify the Department of National War Services?

Mr. THORSON: The Department of National Defence does its best to keep the Department of National War Services continuously informed as to enlistments.

Mr. GREEN: How long have they been doing that?

Mr. THORSON: Oh, for some time. The situation is better now than it was previously.

Mr. GREEN: They did not originally, did they?

Mr. THORSON: Well, they were not too good about it. But that situation is improving, though of course that notification is not instantaneous. It cannot be, by its very nature.

Mr. GREEN: It seems to take a couple of years in some instances.

Mr. THORSON: Well, I would not go so far as to say that, and I am sure my hon. friend does not mean it either. Then, too, there may be a number of other reasons why notices may be sent to persons who are no longer available. They may have moved; perhaps in some instances they have died. Sometimes that likewise is quite inevitable; but we are endeavouring as far as possible to eliminate all those persons to whom notices to report for medical examination should not be sent. That takes a little time. Then the cards have to be dealt with, and there are many thousands of them. My hon. friend quoted from a return the number of single men in the age groups from twenty-one to forty-five. They extend into the hundreds of thousands. I assure my hon. friend that it is not an easy matter to work into this system, which I think is fairer than the present one; but we are making as much headway as possible with the administrative arrangements, and just as soon as the administrative details have been worked out I shall make the announcement to which the Prime Minister referred.

The third suggestion which my hon. friend made is that all residents of Canada, whatever their citizenship may be, should as far as possible be made subject to the national war services regulations.

Mr. GREEN: I did not advocate that enemy aliens should be called for military service.

Mr. THORSON: Of course there would be some qualification in the matter of enemy aliens.

Mr. GREEN: I recommended that they be put on labouring work.

Mr. THORSON: Yes; but even enemy aliens, while not made subject to the national war service regulations, from the point of view

of their being included in the armed forces, might become subject to the regulations for some kind of alternative service, just as we make the Mennonites, Doukhobors and conscientious objectors, whose cases are postponed as far as their military training is concerned, subject to alternative service.

The Prime Minister made the announcement that it was the policy of the government to make all residents of Canada subject to the regulations. The matter of policy is settled, but there are arrangements to be made in connection with the various classes and categories of aliens. There are a number of categories of aliens which would have to be considered in the matter. There are those who are citizens of allied countries. They can be dealt with by an interchange of regulations. We have gone a very great distance in that respect, as far as our relations with the United States are concerned. Then there are the aliens who are citizens of neutral countries. They are in a somewhat different category, but arrangements can be and are being worked out with regard to them.

Mr. GREEN: When will they be subject to call?

Mr. THORSON: The amendments relating to aliens will be announced in the near future. I do not believe I can go any further than that.

Mr. HANSON (York-Sunbury): Have they been drafted?

Mr. THORSON: There have been several drafts.

Mr. STIRLING: They are amendments to what?

Mr. THORSON: Amendments to the national war services regulations, making the regulations applicable to persons resident in Canada, regardless of their nationality.

Mr. GREEN: Does the minister mean that the aliens have been drafted, or the regulations?

Mr. THORSON: The regulations are being drafted. Then, there are the citizens of enemy alien countries. Further, there are various aliens who are stateless persons. In addition, there are British subjects who are nationals of the various British dominions, and who are not ordinarily resident in Canada, but are here for the time being.

Mr. GREEN: Are they subject to call?

Mr. THORSON: Not as yet, under the regulations as they stand to-day. The present regulations are applicable only to every male British subject who is or who has been at any time subsequent to September 1, 1939, ordinarily resident in Canada.

The dominion has given authority to certain of our allies to recruit their nationals in Canada. That authority has been given with respect to Netherlanders, Belgians, Norwegians, Poles and Czechs; but we have not yet given any of our allies the power to conscript their own nationals.

Mr. GREEN: It is all on a voluntary basis?

Mr. THORSON: Yes. We have worked out certain draft conventions with the United States relating to draft evaders and deserters.

Mr. HANSON (York-Sunbury): I notice we are opening recruiting offices in the United States. Can the minister tell us anything about that?

Mr. THORSON: No; I know no more about that than the leader of the opposition has seen in the press. The matter of working out the necessary amendments to the regulations is intricate, but in some instances reciprocal arrangements are being worked out. In others it is desirable to communicate with representatives of the countries involved, so that they will deal with our nationals in the same way as we deal with theirs, and not otherwise.

The number of aliens in Canada is surprisingly small. Last fall I placed on *Hansard* a table showing the number of aliens in Canada, and I was very much surprised by the smallness of the number.

Mr. GREEN: That ought to make it all the easier to get action in the matter.

Mr. THORSON: Yes, it makes it easier. I do not anticipate any real difficulty at all, when we have worked out the necessary amendments. When those amendments have been decided upon they will be enacted, and then residents of Canada who are not now subject to the regulations will become subject to them, and called up in due course.

Mr. GREEN: Will they cover young enemy aliens also?

Mr. THORSON: I think we could work out regulations dealing with enemy aliens, just as we are working on a number of other amendments to the regulations for the purpose of using certain persons who are below category A-1, and therefore not fit for those services in the armed forces which require men of a high category, for other purposes. We may be able to use such men for some other activity that may be in the national interest. The regulations are capable of expansion in a variety

of ways. I have no doubt that we can work out regulations that will deal satisfactorily with enemy aliens.

Mr. GREEN: After single men and widowers without children between the ages of twenty-one and thirty-five years have been called, what age groups will then be called?

Mr. THORSON: I do not think I can make any statement at this stage with regard to that. As I pointed out a moment ago, the regulations are applicable to "every male British subject who is or who has been at any time subsequent to the first day of September, 1939, ordinarily resident in Canada, while he is of the ages of twenty-one years to forty-five years inclusive and who was on the fifteenth day of July, 1940, unmarried or a widower without child or children." The regulations apply to such persons, but the only persons who are subject to call are those in the age groups specified in the proclamation issued pursuant to these regulations.

Mr. ROSS (Souris): Where a man enlists in the air force for air crew and becomes washed up and is discharged, will he be liable to call for training in the army?

Mr. THORSON: Technically he is subject to call. Under section 13, I think it is, we can recall such men. I am not sure that we have not done so in some instances. A person may be rejected for certain reasons by the air force and still be perfectly fit according to army standards. He may fail in some quality essential to air force standards but have all the qualities required by army standards.

Mr. ROSS (Souris): I have been told that in some districts this is rather prevalent. It is quite easy to become washed up and discharged, but I understand that in some places they are not then being called up for the army.

Mr. THORSON: They may get notice to report for medical examination under our regulations.

Mr. CASTLEDEN: Are there many cases where the physician making the preliminary examination passes a man, and then later on he is reexamined and put in category E as permanently unfit? A man is permitted to visit his family physician for examination, but he is not told in what category he is placed. He receives his call, and perhaps after a week or so of training he is examined by the medical authorities and found to be in category E.

Mr. THORSON: There have been cases where not only the original physician but the medical revision board have marked a man as category A1, and then after he has reported to the training centre and has submitted himself for examination by an army medical board, he is rejected. The full extent of these rejections can be seen from the tables I placed on *Hansard*. One table shows the number of persons requisitioned by the Department of National Defence. Another table shows the number of men who have been ordered to report to training centres. All these men would be graded category A. Then a third table shows the number of persons actually accepted at the training centres as being fit. A comparison of the third and second tables will show the percentage of rejections by army medical boards of men who have been passed category A either by the doctor of their choice in the first instance or by our revision boards.

Mr. CASTLEDEN: What time elapses between a man going to his own physician for a preliminary examination and the time he is told to report? There was brought to my attention last week the case of a man who received a notice to report. On Friday this man had his examination, but not knowing in what category he was placed he did not make an application for postponement on the ground of being engaged in an essential war industry, that is, an aircraft plant. On a week from the following Monday he received a notice to report at the Connaught ranges in Ottawa. The notice was received on Monday evening at 6.30 o'clock, and he was to report on Thursday morning. He had no opportunity to place his case before a board because the time between the receipt of his first notice to report to a doctor and the time he was supposed to report for training was only eight days. Is that the usual length of time granted these people?

Mr. THORSON: As I pointed out this afternoon, a man receives two documents, one entitled, "notice—medical examination", and the other, "instructions". The document of instructions notifies him of his right to apply for postponement.

Mr. CASTLEDEN: Within what length of time?

Mr. THORSON: Under the regulations he is required to apply for postponement within eight clear days of the date of the notice.

Mr. CASTLEDEN: He received notice to report within six days.

Mr. CHURCH: The minister has given us an explanation about the various classes which have been called up. The other night we heard about conscientious objectors, and to-night we have been hearing about enemy aliens. A great deal of money has been spent by this

department in connection with mobilization since the start of the war. The army under the control of the minister has a different system. I do not wish to be unfair. I have described this department as an omnibus department, and I do not think it can be described in any other way. However, in connection with mobilizing men for the army the department has been a flat failure right from the start.

We have had recruiting on again, off again and on again. Aliens and conscientious objectors who are called up seem to be received into the army with kid gloves. The treatment they receive is different from that given to those trainees who were called up two weeks ago. I saw some of them in the union station at Toronto and other places on their way to camps. In one camp in the Toronto district, before the trainees had been in camp twenty-four hours, they were told by coercion that unless they enlisted for active service overseas they would be moved out very shortly to another place. Is there to be one law for the British-born in this country and another for the alien from continental Europe? If these people come to this country and accept the freedom, liberty, rights and privileges of Canada, then when the enemy is at the front door, the side door, the back door and all the other doors of this country, these people should be compelled to do their duty to the land of their adoption. That is the first duty of any citizen since any country has been a country.

I may not be very good at arithmetic. I may be something like the editor of the Ottawa *Citizen* who was referred to the other night by an hon. member. The hon. member for Qu'Appelle got into an argument with the minister on the call-ups in Quebec and Ontario, and on arithmetical and geometrical progression and harmonical progressive mathematics over the way in which these particular people were called up. There were 38,000 called up, and 37,000 asked to be excused in one province. It seems to me that the more that are called, the fewer get into the army. There are so many varieties of calls that about the only call I have not heard of being sent out to these men to enlist is a call to the bar. Many are called but few are chosen under the minister's department. The system is an impossible one. How can we win this war and Canada do its duty under the present system, or secure a total war effort? We are now in the sixth month of this year, and not a thing has yet been done to get men into the army. Men are willing voluntarily to go into the air force or the navy, both of which have a large waiting list, but there are so many riders, restrictions, exceptions and provisos that the army has been hampered from the start in getting men.

The mother country is wondering what is the matter with Canada. Canada was represented at the imperial conference in 1937 and knew the great danger for our empire there was on both the Atlantic and the Pacific and to the province of Quebec and the maritimes. All the cards were on the table, and Canada knew what was going to happen. Yet we cut down our expenditures until we had no fleet and no air force at all. What did Canada say at that 1937 conference? She held aloof, refused to cooperate with Britain, and said: "We have no commitments. Parliament must decide". The Minister of National War Services himself was one of the main supporters of this policy of neutrality.

Mr. THORSON: That is not true.

Mr. CHURCH: A bill standing in his name was on the order paper six months before the war, declaring that if war came, Canada was bound to be neutral. The bill declaring for isolation came up for second reading on March 31, 1939, and I talked it out. I will read the preamble:

> Whereas it is expedient that the status of Canada in time of war should be made clear and declared by the parliament of Canada: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:
>
> (1) Canada shall not assume the status of a belligerent.

This bill was discussed in the House of Commons, and it was or seemed to be the policy of the government of the day; there is no doubt about that. Why, the Prime Minister himself visited Hitler in 1937 and had a conference with him. I asked what the conference was about, but he was not prepared to say in detail.

The minister the other night said that the North American continent, Canada and the United States, was isolationist. He was and always was. Are we, the British-born, going to sit here in this house and listen to such remarks as were made here last Friday, at a time like this when Great Britain is grappling with the foe and was left to bear the whole brunt of the war for two years and four months alone? After Dunkirk we thought Britain would be invaded and the British empire would be gone; but as Mr. Churchill said, speaking in this house, Britain then had "some neck". We have been sending emissaries and wasting money in publicity all over the United States for the past ten or

fifteen years; we have established an embassy at Washington, all tending to separatism and isolationism. Then we sent deputies to Hollywood, by aeroplane, spending from $40,000 to $60,000 on pictures according to Hollywood to convert the United States to war. Last session congress carried the president's army bill by only one vote; the neutrality law was repealed by only fourteen votes in the senate, and that country was until Pearl Harbour isolationist. Canada is not and never was isolationist or for separation. The government was before the war.

If we do not wake up we shall have a Pearl Harbour in the St. Lawrence, while we sit here talking about raising a few men for the army. If it took as long to get twelve men for a jury as it takes under this cumbersome system to get twelve soldiers, there would be very few cases tried by jury in this country.

I can tell you that Canada is not going to be talked out of the British empire. Canada will have to be fought out of the British empire. I tell the government of the day: You cannot ride two horses regarding the army any longer. You must line up with the mother country and help Canada get her an army now before it is too late next summer. Every sixty seconds to the minute, every sixty minutes to the hour, every twenty-four hours in the day we are approaching the midsummer climax which will decide the fate of the British empire, of the world and of this country and of civilization forever and the fate of religion, freedom and liberty. Yet here we sit day after day since January devising riders, restrictions, provisos and exemptions for this class and that, which make it almost impossible for the minister himself to do his duty of getting men for the army. I think he would like to do it if he could. He was wrong before the war. Handicapped as he is I believe he has done the best he can. But he is hedged about with doubts, provisos and all that kind of thing.

Like the editor of the Ottawa *Citizen* on the 38,000 called up and 37,000 wanting a stay, I may not understand arithmetic; that is what was said of him here, or of one of the staff of that paper. My hon. friend the member for Qu'Appelle does arithmetic every day, as I see when I go to his office, and he said the other night that he knew something about arithmetic when he had a debate on arithmetic with the minister. I have said before that the House of Commons never wants to be told that two and two make four but would rather be told that two and two do not make five. What is the position with respect to these figures? Thirty-eight thousand in Quebec were called up, received notice to report to the registrar, and 37,000 of these gentlemen wanted to be postponed and 23,000 of these were allowed a stay. For two years and eight months the war has gone on, and all these gentlemen ask for a postponement. If the war lasted for fifty years there would still be a majority of them wanting postponement. We will never get an army to defend Canada or overseas. If all the arithmetic in the figures tabled is wrong and the headlines in the newspapers are wrong, the information and publicity bureau should be abolished altogether. The information bureau was established before the minister took over his office, I know, but I say that the publicity that has been turned out from the information bureau marks it as the most mischievous institution in this country. That publicity published in *Hansard* of Friday last leads Britain to believe that the whole north American continent, Canada and the United States before the war, was against her when Britain was bearing the whole brunt of the war for over two years alone. Canada was not for isolation. Last year Britain bore the brunt of the war, and in 1942 Russia is bearing the brunt. Russia, with 2,000,000 men, and what aid she is getting from the allies, a comparatively small amount of equipment, with some help from the Royal Air Force, is attacked by Germany, and Germany now has 3,000,000 German soldiers and 14,000 German tanks. What aid are we giving? Britain is doing well in aiding her with production and an air force.

Are we doing our duty at this fateful hour in the empire's history? What have we done? We had a proposal of mine four years before the war for a national selective registry, but nothing came of it. Then in 1940 we had the registry taken by the minister's department, although he was not in office then. It was a registry taken all over Canada at huge cost. Information was collected showing the number of men of military age. Very little was done about that and the tabulation took too long. Then we had a census, again at a huge cost to this country. Then we had a plebiscite with a lot of information and six weeks of talk, and a stay, and now we have some more registers of the ministry of labour which no doubt will also be committed to the archives with the new selective register—earth to earth, ashes to ashes, dust to dust, in the sure and certain hope that they will never be resurrected again as far as this government is concerned. Mr. Churchill said the other month in the British House of Commons that humbug plays a large part in our democratic bodies. Well, I think he must have been in this chamber and had a look round; he would have found considerable evidence to prove the correctness of his aphorism.

Mr. THORSON: He might have found an example in the person who is speaking.

Mr. CHURCH: Never were there so many who knew so little about so much, especially as it applies to the army and to the minister and his isolation policy of 1939. This proposal to establish a publicity bureau in the United States reminds me that the government had a great advocate of publicity sent in an expeditionary force to the United States, in Mr. L. W. Brockington; that gentleman went up and down the United States, Washington-minded telling them, "King George did not declare war for us; we declared war for him." That is the kind of separatist and isolationist talk for which we are invited to pay under this minister with the Atlantic situation as it is to-day, and radio talk and propaganda. The people voted for a total war to beat Hitler.

The Minister of Finance said the other night that there is something wrong with the House of Commons. What is wrong with the house is that the government of the day want us to be nothing more than a lot of yes-men and nodders. They have removed control by the high court of parliament over expenditures and any control by the auditor general. Yet we are responsible for how all this money is being spent, much of it on publicity and information bureaux, on the plebiscite, and so forth. Not one dollar of the estimates has been passed yet this year on the seventy-sixth day of our sittings.

The government is not taking the right way to get an army. The manner in which the quotas are established and enforced is very unfair to Ontario. I had a return tabled, and it shows that Ontario is contributing a larger part of the army, navy and air force than is any other province.

Mr. POTTIER: That is not so.

Mr. CHURCH: The people of this country want the government to get on with the war and a total war effort. The yes vote showed the unanimous desire of the great majority of the people to cooperate to the last man and the last dollar with the mother country. When all is said and done, everything we in this country have to-day of freedom, civilization and liberty we owe to the mother country, and the United States is in the same position. Were it not for the heroic stand of the British people after Dunkirk the war was lost and the United States, on this continent, would long ago have had to make peace with the axis powers, who by then might have been in Washington. But we can take one leaf out of the book of the United States, by learning how she enforces the draft against all, and deals with aliens and those who disobey the draft laws. There is not one law there for the rich and another for the poor. All must obey it. Moreover, in the United States everybody is expected to salute the flag, and there is only one flag and one anthem. There is only one flag in this country, the union jack; there is only one anthem, the national anthem. Our United States friends require every citizen, young and old, to salute the stars and stripes and their anthem, and to give prompt obedience to their draft laws, while we in this country sit here putting in provisos, exceptions, exemptions, and all that kind of thing.

I do not know that I can say anything further. I am sorry to have detained the committee so long; it was not my intention to have spoken, but I feel I should state that in my belief what was said last Friday in this chamber disheartens the people of the motherland at the darkest hour of the war. That Canada, the senior dominion, takes the position expressed by her official spokesmen of the cabinet in the House of Commons causes us to be compared with countries which were isolationist and separatist before the war. I doubt whether we would have had war if this dominion had done its duty at the last imperial conference, instead of urging disarmament.

In my opinion this department has outlived its usefulness. What has this information and publicity branch accomplished for all the money that has been spent? After all, the worst informed people are the people of Canada. Quite a number of Canadian newspapers do not report the proceedings of this house. We cannot blame them. Some of them think the proceedings are not worth reporting; that is a matter for them to decide; but I will say that if the mint of money which has gone to the publicity branch and the information bureau had been spent on the press in getting proper information to the public through the press, the results would have been quite different. Our newspapers are interesting and entertaining; they have fulfilled a fine function in this war mostly at their own expense, and without cost to the government. The work which one Toronto newspaper did for British victims, in educating the people of Ontario and all Canada, was one of the most cheering things which has greeted the mother country since the war began, and shows that the heart of Canada, at least, is sound and is with Britain to the end. If we had publicity of that kind in this country and in the United States I would not object to it, because in America they owe a great debt of gratitude to Britain for the fleet which has protected their shores, and but for which they would have been subjected to blockade and blackouts, and have suffered the ravages of Hitlerism two years ago.

Mr. NICHOLSON: The Prime Minister, speaking in the house on July 12, 1940, in moving the second reading of the bill setting up the Department of National War Services, outlined the general scope of this department. He said, as reported at page 1571 of *Hansard* of that year:

The department will also undertake the initiation and promotion of voluntary effort in new directions, in immediate furtherance of our war effort and to enable Canada to make in the most effective and efficient manner the necessary economic and social adjustments to meet domestic problems arising out of the war.

I know that the minister in charge of this department has to do with things of the mind which might not appear to be as spectacular as the building of ships, aerodromes, tanks and the other commodities necessary in connection with the prosecution of the war. Nevertheless a very important role must be filled by the minister if the Canadian people are to understand clearly the issues which are at stake and are to be persuaded to do whatever is necessary to carry this war through to a successful conclusion.

To-night I should like to discuss one field of activity where, to date, I feel that the government has been lax. In connection with the consumption of liquor in Canada the government has failed to do the necessary work in informing our people of the tremendous losses in production which go hand in hand with the increasing manufacture and consumption of liquor.

Mr. E. P. Taylor, one of the dollar-a-year men associated with the government, and president of Canadian Breweries Limited, was interviewed by the Toronto *Globe and Mail* after he returned from the old country about a year ago, and he is reported as saying:

A lot of the non-essential industrial activities (in Canada) of different kinds will gradually have to be curtailed as fast as we can obtain machinery to produce war materials.

He thought that Canadians were not taking the war seriously enough and urged that they must forgo luxuries for guns and tanks and aeroplanes.

That was in February, 1941. In February, 1942, Toronto *Saturday Night* devoted a full page to telling just exactly what Mr. Taylor's firm is doing to carry out the objective that he outlined while speaking to the *Globe and Mail*. The annual report, which is signed by E. P. Taylor as president, boasts of this fact:

Your company has for several months been carrying on an extensive export business to the British forces in the theatres of war.

Another paragraph:

After providing for depreciation and other charges, including income and excess profits taxes, the net profit for the year amounts to $570,570.11, in comparison with $525,032.78, in the previous year. Dividends were paid on the preference shares at the full rate of $3 per share. . . .

Further extensive improvements were made to several of the company's plants.

Another paragraph mentions:

Your directors are now putting forward a proposal for the elimination of the arrears of dividends on the preference shares, which is embodied in a by-law to be submitted to the holders of preference shares and the shareholders as a whole at separate meetings as indicated in the accompanying notice.

I wonder if anyone ever heard of men in industry who were unemployed for several years being able to take advantage of present situation to secure the arrears of wages which they did not receive. Yet Mr. Taylor indicates that his company plans to pay now the dividends that were not paid during the depression.

In the *Brewers Magazine* of May, 1941, there appears this amazing statement:

One of the finest things that could have happened to the brewing industry was the insistence of high ranking officers to make beer available at army camps. . . . The opportunity presented to the brewing industry by this measure is so obvious that it is superfluous to go into it in detail. Here is a chance for brewers to cultivate a taste for beer in millions of young men who will eventually constitute the largest beer consuming section of our population.

Apparently, with companies like Canadian Breweries Limited and their subsidiaries and the *Brewers Magazine* carrying on such vicious propaganda, it can scarcely be left to the good intentions of private individuals to see that the necessary restrictions are carried into effect.

In July, 1940, representatives of nearly all the churches in Canada and the temperance organizations waited on the government and made four concrete proposals:

1. That the sale of alcoholic beverages in taverns, beer rooms, wine shops, etc., be discontinued and that sale of such beverages be confined entirely to government-owned liquor stores.

2. That sale from government liquor stores be permitted only between the hours of 3 o'clock in the afternoon and 8 o'clock in the evening and on week days only.

3. That all advertising of liquor in Canada be forbidden except in the place of sale.

4. That when the request in item 1 is implemented, an order issue from the Department of Defence closing all wet canteens in military establishments.

Seven months after this delegation waited on the government and made their proposals I asked in the House of Commons on February 19, 1941, as reported at page 826 of *Hansard* of that year:

Has the government adopted any change in policy in connection with the manufacture and sale of liquor under the War Measures Act?

The minister who was in charge at that time replied no. Then I find that the present minister, on January 31 of this year, stated in a letter to the Canadian Temperance Federation:

It is now settled beyond dispute by a long series of judicial decisions that the regulation and sale of intoxicating liquors is within the exclusive jurisdiction of the provinces.

I understand that the minister was a professor of law, and I am certain that if we were in peace time very few would have taken exception to the contention that the federal government should not interfere with problems that might fall within the jurisdiction of the provinces or municipalities; but now we have entered into every phase of the life of the people, and it is nonsense for the minister to say that entry into this field is something that should not be undertaken by the federal government. The Canadian temperance delegation pointed out in reply to the minister that it had been recognized in the recent judgment of the Supreme Court of Ontario that the Canada Temperance Act was valid—and it is a dominion statute. The Canada Temperance Act is more restrictive than the present liquor control law of Ontario.

The minister further stated:

Such examination of the facts as the government has been able to make after careful consideration does not indicate that there is actually any case of national necessity.

I am surprised to find the minister making such a statement in a situation such as this. I have just received the latest information from the bureau of statistics giving the amount of gross sales by various liquor control boards in the different provinces and the net profits made by these different governments, with the increase in the sales last year compared with the previous year. The table is as follows:

	Sales, 1940	Sales, 1941	Per cent increase	Total net revenue in 1941
Nova Scotia	$ 8,458,175	$11,449,300	35	$ 3,358,235
New Brunswick	5,209,122	6,627,025	27	2,220,308
Quebec	17,991,145	19,583,890	8·9	7,270,810
Ontario	22,820,689	26,847,956	18	12,294,175
Plus sales of beer	28,435,819	34,599,089		
Manitoba	6,653,342	7,886,905	19	1,874,954
Saskatchewan	7,273,941	8,509,226	17	1,941,185
Alberta	9,365,551	10,753,378	15	3,207,627
British Columbia	14,960,234	17,590,253	18	4,841,482

I am ashamed to observe that the gross liquor sales in my province of Saskatchewan were more than the total amount which the Minister of Finance asked the people of the province to raise in connection with the recent victory loan.

As the leader of the opposition rightly said the other day, it is a serious reflection on the Canadian people when such a large proportion of the revenue of the various provinces is derived from this traffic. It has been estimated that our liquor bill last year would have fully equipped 800,000 soldiers or would maintain 100,000 soldiers in Canada for eight months, or in Great Britain for six months, or would have paid for 250,000 Bren guns or 26,000 Bren gun carriers, or 100,000 anti-aircraft guns or 2,700 fighter planes, or 850 Bolingbroke bombers, or 1,700 "ram" tanks or 222 corvettes or 34 destroyers.

In an article in *Liberty* of March 21 there was a statement to the effect that within the past three months more than 400,000 cases of beer had been shipped to the various battle fronts by one company alone. I am informed that the amount of beer which has been shipped to the troops overseas since the beginning of the war would fill fifty miles of boxcars, 90 per cent of which would be water, and it seems unfortunate that at this particular time we should be finding space to move fifty miles of boxcars loaded with beer. When it was necessary to send materials to Hong Kong, the best that could be found were boats travelling at eight knots an hour, boats that did not reach Hong Kong with those essential materials in time for them to be used by the brave defenders of that strategic point. Hon. members may be interested to learn that the president of a company that has done a large export liquor business, Mr. E. P. Taylor, is one of our dollar-a-year men. In the most recent issue of the *New World* his picture appears in connection with an interesting article on the "Head Office of the United Nations." Here we have a picture of the British supply council; we see Sir Arthur Salter, Mr. Morris Wilson, Lord Beaverbrook, Mr. E. P. Taylor and Mr. Jean Monnet. The article states that in some respects the

British supply council acts as a coordinating body for the allies as well as for the British empire. Listen to this:

> Whether it is an apple or a flying fortress, the British supply organizations endeavour to get these goods to the places most in need of assistance.

I understand that is Mr. Taylor's job, to see that whether it is an apple or a flying fortress—

Mr. MacINNIS: Or a barrel of beer.

Mr. NICHOLSON: —or a barrel of beer, these commodities will be sent as quickly as possible to the places most in need of assistance. But apparently Mr. Taylor was not successful in getting the needed equipment to Hong Kong in time to be of any use to our defenders there. He was able, according to this article, to see that 400,000 cases of Canadian beer were shipped to the various battle fronts. I might say something about the job the minister should be undertaking, as I see it I see the minister smiling over there. I wish to tell him that this is no laughing matter.

Mr. THORSON: I was not smiling at the hon. member.

Mr. NICHOLSON: Then I think the minister might pay attention when this subject is being discussed in the house for the first time, in view of the fact that religious and temperance organizations all over Canada have been appealed to again and again to dig down and subscribe to victory loans, to buy war savings certificates, to engage in salvage campaigns and so on. I think the minister might show some courtesy when this matter is being brought to his attention in the house.

Mr. THORSON: The hon. member might read the other parts of the letter, too.

Mr. NICHOLSON: Which letter?

Mr. THORSON: The one I wrote.

Mr. NICHOLSON: I shall be glad to have the minister read that letter, and I am sure hon. members will listen to him with interest. I am saying that the minister has failed to take the action necessary to deal with this question, and has failed to give the necessary leadership.

Take the question of advertising. I hold in my hand the latest issue of the *New World,* which is published by Mr. E. P. Taylor. According to the laws of Ontario a magazine of this sort could not be published in this province, because of its liquor advertisements. I do not know whether hon. members are familiar with this magazine, but it presents a subtle type of propaganda. It is an extremely attractive magazine. Mr. Taylor has secured a capable editor, who has obtained from contributors articles of interest, and many interesting pictures are displayed. On the last page of the magazine we find an attractive advertisement telling what Sir John Carling's Red Cap ale will do for you. Turning to the next page we find a large advertisement in connection with Booth's gin. On another page there is an advertisement for Dewar's Scotch whisky, and on the next page an advertisement for Four Roses, a Canadian whisky. Then we see, "Have a Guinness To-Day!" Apparently they are able to find space to bring this choice beverage across from the other side, and it is apparently one of the popular drinks in Canada. On the next page there is an advertisement for Vat 69; I do not know what that is. The next advertisement is for Seagram's V.O., which is called the perfect whisky. Turning the page we find an attractive half-page advertisement for Three Castles whisky and London Club gin, and on the very next page another attractive half-page advertisement for Sir Robert Burnett's London dry gin. Hon. members will see from the attractive colouring of this advertisement that it has been prepared by one of our best artists. So we see that large sums of money are spent in order to encourage our people to consume these liquors. Another advertisement is for Gilbey's gin; and then covering two pages, is an advertisement for White Label ale. Again the minister smiles, but I submit that with Canada at war it is unfair to allow advertisements of this type to appear in a hundred thousand copies of this magazine which are on the news stands every month, in order to encourage our young people to consume liquor.

I understand the procedure is that the editorial offices and circulation department are in Toronto, in the Concourse building, 100 Adelaide street west; all correspondence regarding advertising is directed to be sent to this address. I understand that most of the printing is done in Toronto by two well-known publishers; then the material is shipped to Montreal, and the complete magazine is mailed from Montreal back to the news stands. In this way it is possible to see that advertisements of this kind go into the homes of our Canadian people, so that the increase in the consumption of these liquors may continue.

I have heard criticism as a result of churches in Canada being asked to cooperate with various government departments, and then when they desired paid advertisements for their papers they have not been very successful. But I find the government has been quite generous to the *New World.* There are several advertisements inserted in this issue

by the government. I have here a few of the newspapers published by some of the churches of Canada: *The Presbyterian Record; The Canadian Churchman,* published by the Church of England; *The Canadian Baptist,* published by the Baptist church; *The Canada Lutheran,* published by the Lutheran church; *The War Cry,* published by the Salvation Army, *The United Church Observer,* and *The Catholic Record.* In all these papers I could find only two advertisements inserted by the government, though it can find profitable advertisements to be inserted in a magazine whose apparent purpose is to increase the sale of liquor.

I mentioned that Mr. Taylor was concerned about conserving shipping space. In last week's Wadena *News,* I notice an advertisement inserted by the wartime prices and trade board which reads:

> To bring tea from Ceylon and India, to bring coffee from South America, ships must cross oceans infested with submarines. To-day those ships and their naval escorts are required for more essential services. Every ship, every foot of cargo space, is needed to carry war materials, and to bring essential goods to Canada.

Then there is another advertisement in connection with sugar:

> Since sugar rationing was first introduced, the shipping situation has become more serious. The danger to ships and lives has increased. Consequently it has now become necessary to reduce the sugar ration from ¾ lb. to ½ lb. per week per person.

The Canadian people are not objecting to cutting down their sugar, tea and coffee. They realize that one of the most valuable services being performed is that of the men who go out to the sea to risk their lives in order to keep open the channels of commerce. But I think it disgraceful that we should be able to find shipping space for unlimited quantities of liquor while we have to restrict our consumption of coffee, tea and sugar, and that so far no attempt has been made to get the Canadian people to restrict their consumption of liquor.

In view of the situation I have outlined; in view of the alarming increase in the consumption of liquor in every province of Canada, I wonder if the minister would not give further consideration to this matter. I wonder if he will not admit that this now has become a national problem and that, regardless of what he may have said or what may have been done in the past, some steps should be taken, in the first place to see that advertisements of this type will be discontinued for the duration of the war and, in the second place, that our people will be encouraged to reduce their consumption of liquor.

[Mr. Nicholson.]

Mr. POULIOT: I am exceedingly sorry that the Minister of National Defence is not in his seat to-night. He spoke in Winnipeg with the Minister of Pensions and National Health, and that minister has been back in the house this week. However, we have not seen the Minister of National Defence. His place is here, when we are discussing these estimates—because I am sure the Minister of National War Services is very often labouring because of requisitions made upon him by the Minister of National Defence.

Mr. THORSON: Not at all.

Mr. POULIOT: I am glad he is not; he has plenty of fortitude. But whether he is or is not—and I accept what he says—I say that while the committee of the whole is sitting and the estimates of the Minister of National Defence are under discussion, that minister should be here. There is no excuse for his going away.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: I will ask the hon. member for Fraser Valley to keep quiet; otherwise I will say something more unpleasant to him. And I will ask you, Mr. Chairman, to keep order. At times the hon. member for Fraser Valley speaks seriously; but I do not know what happens to him, because at other times he does not speak so well. His thoughts seem to be in limbo. I wonder why the hon. member for Fraser Valley laughs when I complain that the Minister of National Defence is not here, because I say his place is here, now, when this discussion is in progress. He should be here.

Mrs. CASSELMAN: According to a press dispatch I have before me the Minister of National Defence is in the city of Edmonton, conferring with military officials there.

Mr. POULIOT: I should like to answer my hon. friend the member for Edmonton East with flowers. But whether he is in her constituency or in any other constituency, he has plenty of time to go, outside of the time when we are discussing the expenditures of his department. The expenditures we are now discussing are as much those of the Department of National Defence as of the Department of National War Services. In fact, the Department of National War Services is just the anteroom of the Department of National Defence. I want the picture complete—not because I am afraid to say anything when the Minister of National Defence is here. Hon. members will recall that last year I told him to stop using his

pencil on a piece of paper, and to look me in the eye when I was saying something to him.

I have something more to say. I complained about this disguised conscription. Who is responsible for it? It is not the Minister of National War Services; it is precisely the Minister of National Defence. We saw in the newspapers as early as February that the reserve army was closed to men between nineteen and thirty-five years of age, and that position was repeated by the Minister of National War Services not long ago. In the meantime the Minister of National Defence has worked out his little scheme to close one more door to men who desire to enlist in the reserve army.

The Montreal *Gazette* of April 17 contains the following Charlottetown dispatch:

> Ralston warns defence alone is not enough.
> No vote surest way to bring war to Canada, court defeat asks record verdict.
> Defence Minister, State Secretary McLarty appeal for plebiscite approval.

That was what was said at Charlottetown. But when the Minister of National Defence spoke in Montreal, according to a French newspaper of that city he praised the voluntary system. I shall reserve to another occasion anything further I have to say with respect to the development of national defence.

I should like to follow what was said by the hon. member who has just spoken, and refer particularly to two branches under the Department of National War Services. May I tell the minister that I have always had a deep respect for him. I believe he is in earnest, takes care of his department and in some branches has able assistants. I pay special tribute to Mr. Justice Davis and to General LaFleche. My colleagues in the house know the feelings I have for General LaFleche; I have great admiration for him. Then, in my humble view Major Benoit is also an able man.

Whatever anyone else may think of the importance of the Department of National War Services, in my opinion that department is equal in importance to any of the war departments. This is my reason for making that statement: The government has at its disposal some wonderful agencies under the supervision of that department. I have in mind particularly the Canadian Broadcasting Corporation, which is under the control of the minister to as great an extent as any semi-independent corporation could be. It lives upon the taxes paid by owners of radio sets.

I wonder if the best use is made of that agency, both within and without the country. Inside our boundaries the Canadian Broadcasting Corporation could do excellent work not only for what is called national unity, but also for the union of all Canadians of goodwill, especially in times like these. Of course good men are required to operate the corporation.

Then there is a further branch of the department which at times has to operate with the Canadian Broadcasting Corporation and also with the bureau of information. I refer to the censors branch, which has been centralized under the minister. In addition to the minister's function of calling men under the National Resources Mobilization Act, he has a duty so important and so great as to consume the whole of his time.

Is the information bureau operating properly? The minister is not responsible for its organization, because it was in operation when he became head of the department. He had to take it as it was. I ask the minister now to place on *Hansard* an up-to-date list of the staff of the information bureau, showing the occupation and salary of each member of the personnel. That is the first step. I complain that the cooperation between the information bureau and the censors is not close enough. Of course in times past the censors were not all under the minister. A reorganization was made not long ago, and now the two agencies are under the same minister. But that is not enough. They must work together. The information bureau must give a lead, and the check must be by the censors.

I have heard a good deal about the present head of the censors. It is said that he is an able man, and I give him the benefit of the doubt. I have no reason to complain about him, but his functions are of the utmost importance. He should proceed, not only with scissors in hand but by way of giving a lead to the newspapers and to Canadians who speak inside and outside the country. An effort should be made to make the bureau of the greatest possible help.

What should be done by the bureau? It is a Canadian bureau, and charity begins at home. It should serve the Canadian people first by giving us some idea of what orders in council of a legislative nature are passed by the government by virtue of the War Measures Act. Where is the member of parliament who can read, analyse, check and note all the orders in council of a legislative nature passed daily by the government? It is impossible. This information bureau should show its usefulness by keeping members informed on this legislation of a special nature which we cannot analyse from a study of the

Canada Gazette. This afternoon an hon. member asked about the publication of these orders in council in book form. Already we have had five of these books, but some orders in council are amended and others are repealed. Part of the work of this information bureau should be done by jurists, and these orders in council should be issued in loose-leaf form.

The bureau of information should not be a clearing house for just the publicity of one department, the Department of Munitions and Supply. It should be a clearing house for all departments. It should give information to the people so that they may know what they have to do in order to live up to these governmental regulations. That would be easy to do provided the minister selects competent men to head the branch. The branch will justify its existence if the work is properly done, and I think hon. members will be grateful to the minister if such a change is made. A number of orders in council were published as an appendix to the *Votes and Proceedings* of March 24. No one knew the tenor of those orders until after eleven o'clock in the morning, and yet they had been in effect from the previous Monday. No one outside the members of the government knew what they were, and yet they affected the lives of the population of Canada. One will answer that that is the practice; but whether it is or not, I think it is an abuse.

Years ago the Department of National Revenue used to publish a monthly account of exports and imports as between the United Kingdom and Canada and as between Canada and foreign countries. This has been stopped under the pretext of economy, but we now receive certain information from the information bureau. The information put out in French is simply silly. It means nothing at all; it is just childishness and is of no use to us. All that we in the province of Quebec ask is that we be served in the same way as our fellow citizens who speak the English language. Why should we be given this sort of information that is of no use?

The information bureau could give advice over the radio about health, diet and so on. This could be given by experts, other than those who belong to the medical profession. I am sure that this will satisfy my hon. friend who made some apt remarks about what has been done. The information bureau should not give false ideas to other departments. Here is an example of the silly things that are put out. This is entitled "A Call to Arms," and is put out on the most expensive paper and signed by the Minister of National Defence. I say this is silly because of what happened when it was published. Several men in my county wanted to enlist, and I went with them to the armoury where the man in charge of enlistments was supposed to be. The very room in which this poster was displayed was locked. These boys with me wanted to enlist, but the door was well locked and nobody could get in.

Mr. REID: No shortage of paper there.

Mr. POULIOT: This was asking boys to enlist, but the door was closed. Then there was something else. I refer to the totem pole that was carried across Canada, that thing called a victory torch which was sent to England with the first money that was obtained in the victory loan campaign last year. The money was used for the expenses of a trip in a bomber to carry that totem pole. Mr. Churchill looked astounded when he received it at No. 10 Downing street. Things like that are no good. We have a call to arms, a call to enlist, and when boys go to enlist they find no one there and the door locked against them. The first money obtained from the savings of the Canadian people is used to transport that totem pole from British Columbia to Halifax and then across the Atlantic by bomber. I do not blame the minister, I blame the man who had that silly idea. I am sure it came from the information bureau. It appeared to me like a bit of idolatry.

Mr. HANSON (York-Sunbury): The idea originated in British Columbia.

Mr. MACKENZIE (Vancouver Centre): No; it did not. It came from the victory loan committee.

Mr. POULIOT: I do not want to hurt my hon. friend because I am in full sympathy with him. I shed tears when I thought of that.

There is something else, and here is where there should be intervention by the censorship bureau. It should tell important military men who are in charge of the districts of Quebec and Montreal to shut up and not enter into any competition in eloquence as they do, only, as we say in French, to "Mettre les pieds dans les plats"—"put their feet in dishes."

Another thing should be done by the censor. Here is another kind of foolish propaganda that came from the national plebiscite committee. It is signed by Florian Fortin. I have already complained about it. It was printed and widely distributed during the plebiscite campaign:

> What shall we think of persons who vote "no" under the pretext that they do not love England.

It is silly. Why put such ideas in the heads of Canadian people?

Another thing that the censors should do is to forbid government agencies from sending out copies of articles from a stinky paper in Montreal called *Le Jour.*

Mr. MacNICOL: I did not hear what the hon. gentleman called the paper.

Mr. POULIOT: Stinky—malodorous. All that sort of thing works not only on the mind of my good friend the leader of the opposition but on the minds of some journalists. For instance, I received not long ago an article published in a Woodstock paper, the editor of which is at present on leave, working for the wartime prices and trade board. Underneath the article is this note:

Suggest you get all your "no" voters out in rowboats to locate the U-boats.

Very witty! It also works on the editorial staff of our dear local paper, the Ottawa *Citizen,* which says:

Since Jean-François Pouliot and other members from the Lower St. Lawrence don't fancy going abroad to defend their country, wasn't it accommodating of the sub to come all the way over and make faces at them on their own door-step!

Is it not very clever? That is the consequence of such propaganda.

But it works on somebody else. It works on one who cannot sing, "Yes, we have no bananas," because he is the Orange leader of Ontario, the Ontario Grand Master, Mr. J. W. Carson. The headline says:

Quebec stand deplored by Orange leader—"Unbelievable" Ontario Grand Master tells gathering.

The article goes on to say:

The grand master repeated "our long-standing protest" against the "persistent and insistent" attempts to elevate the French language to a parity with English "and more particularly against the practice of the federal government in circulating, indiscriminately throughout the dominion, publications and forms printed in both languages."

I never knew that, but I am indulgent to the head of the Orangemen just on account of the silliness of the propaganda that was put out by the information bureau, because I understand he was deceived by it.

There is one of our colleagues who said once that those who did not agree with him were inspired by Hitler or something like that. I want to be indulgent to him for the same reason.

Another of our lady colleagues spoke of Quebec Quislings. I understand that she also was led into error by the same sort of propaganda.

I do not care what is said about me. For instance, an Ottawa paper called me a noxious pest. I am quite indifferent to that. Another paper, this one from western Ontario, said:

By far the worst offence was that of Mr. Jean-François Pouliot, who since 1924 has been creating scenes of disturbance in the house, mainly by launching virulent attacks against men who, not being members, have no means of defending themselves. He followed his old tactics again in his latest outburst.

I do not care about that.

Another Toronto paper dedicated an editorial to myself, headed "Buffoonery in parliament." I do not care at all about that. Another weekly Ontario paper said something else, just to frighten me, referring to something I had said regarding the Minister of National Defence. He said he would stop what I was doing. I do not know whether these articles were inspired or not. This one is from a weekly, printed on shiny paper. It says:

Mr. Pouliot is at the same time too much of an egoist and too much of a comedian to be a reliable colleague in any ministry.

I am indifferent to all that, and I know the censor should not intervene in such cases because it is simply the expression of one individual's opinion.

But this sort of propaganda has a bad effect. It turns the minds of some people. I will give one example. It dates back to a year ago. It is a very bad letter that I received. I made a speech here on February 21, 1941. Mr. Lapointe spoke on February 24, and then on February 26 a letter was sent to me from Toronto. Mr. Lapointe told me in front of one of my colleagues that this letter should be read. I have already given a copy of it to the Prime Minister, also to Mr. Godbout, Premier of Quebec, and to Mr. Duplessis. The letter shows the turn of mind of some people, and I am sure that there is not a member of the house who will not be scandalized by what is said in it. We hear about national unity. Of course, that must work on both sides. I have already said that in any country where there is a minority the minority has always to suffer from the greed of the majority to govern, and that characteristic goes back to the far-away ages. As we say in French, *"Diviser un petit peuple"*—"Divide to rule." That was said about twenty centuries ago, and it is still true. This is deplorable. The following letter was addressed to J. F. Pouliot, M.P., Ottawa, Parliament buildings, and mailed at Toronto, February 27, 1941, 9.30 p.m. Here it is, and I will lay the original on the table:

715 Palmerston Avenue,
Toronto, February 26, 1941.

Dear Half-Breed:

You were right when you told Mr. Ralston the other day that you have been here for a

long time. It is a long time since the priest chased and raped the squaw and you were the result, also Lapointe, Duplessis, Godbout, how you half-breeds like to blow.

You should hang your head in shame and never tell anybody that you belong to the French cattle.

Look at those dirty French traitors in France; it is a laugh to hear you dogs talking about culture. They sold out to the Germans thinking they were going to save their own dirty necks, but you see what traitors get. But they cannot help being traitors. It is born in them just like you dogs in Quebec. What we need in Canada is a nice little war to clean out all you cattle along with the arch louse and traitor, Mackenzie King. The war is not over yet but I would sooner fight you half-breeds than I would the Germans.

Yours,

Joe Smith.

I find by the 1940 Toronto city directory that the two persons who are indicated as residing at the above address, 715 Palmerston Avenue, are Jack Woulter and Frank Schicht. That is not helpful.

At a time when our publicity was not going well in the United States, we have here the sort of uncensored publicity which was published in the Montreal *Gazette:*

We must have victory. You must vote "Yes!" This publicity is sponsored by plebiscite committees of the province of Quebec.

I wonder if that was paid for by the government. It is not the way to have national unity in this country. Here is another advertisement which was published on April 25, and was not censored:

How would Hitler vote?

Pause for a moment and ask yourself this question: If Hitler had a vote on the plebiscite, how would he mark his ballot? Your good sense tells you he would say "no". If you vote "no" or if you don't vote at all, you are helping Hitler.

We hear that we have a bad name in the United States. That is not surprising when one reflects upon what is said about those who do not agree with the government on this question. I have one other exhibit; it is from *Time,* a Luce publication, of May 11, 1942, and on page 30 it reproduces a photograph of a sign:

Hitler voterait non sur le plébiscite.
Comment voterez-vous?

"Hitler would vote no on the plebiscite. How will you vote?" It is headed, "Quebec Posters. The little one says, 'If you would avoid conscription, vote no.'" This is the kind of publicity we have in the United States. It is just a continuation of the publicity we have had in this country. I have never understood why the censor did not stop it. It is important to preserve national unity in this country. We hear fine speeches about national unity. Speeches do not count; it is acts that count, and the necessary act should be to stop such publications, especially of an official nature.

As an example of the kind of publicity which we should have in the United States, I will refer to a publication which I hold in my hand, and which is widely circulated on this continent and even, at least formerly, in Europe. There was a French edition of *Vogue* published in Paris and an English edition published in London. It is a ladies' magazine, and it is read throughout the world. I do not know whether even now they have not a Spanish edition for south America. Here is what is written in the May issue by a distinguished and brilliant member of our own press gallery, who has international fame, and who, especially since the publication of his last book on this country, is nearly as well and favourably known in the United States as in Canada. I refer to Mr. Bruce Hutchison of Vancouver, who has written a story, "While I was in Quebec." It is a story of a young man who becomes a member of parliament.

The CHAIRMAN: Order, please. I should like to draw to the attention of the hon. member that when he refers to a publication relating to the expenditure of $1,500,000,000 by the government there may be some relevancy in his remarks, but I cannot see the connection of the matter before the committee now with an article written by a gentleman in the magazine *Vogue* which has nothing to do with the expenditure by the government of the amount of money which is now sought to be obtained.

Mr. POULIOT: Well, sir, we were just speaking of the information bureau.

The CHAIRMAN: Yes, but exactly on that point, anything which is published by the department and is directly or indirectly connected with the expenditure of the moneys voted by parliament would be in order. But we cannot enter, on a discussion of a resolution of this kind, into an analysis or a criticism of an article published by somebody else in *Vogue.*

Mr. POULIOT: Well, sir, I will explain what my purpose is in mentioning that. I was complaining that the information bureau was not doing useful work in this country and outside. I was complaining of propaganda which was going on outside which was not checked by the censor, and I was showing how the Americans could be favourably impressed with Canada by able and worthy propaganda. I am well aware that *Vogue* is a woman's magazine, but it has incorporated *Vanity Fair,* which was a magazine for both

men and women, and contained serious articles, and this article contains a few remarks which are an antidote to the poison that was published in *Life*. That is why I want to show that a censoring and an information bureau should take advantage of what is published by Mr. Hutchison in *Vogue* to follow that example. My quotation is not long, just a few lines.

The CHAIRMAN: Very well.

Mr. POULIOT: It reads:

This, though no one here realized it, was the symbol of a strange fact in the life of America and a basic fact in Canada. This was the French race, a third of the Canadian nation, making its will felt with the majority by skill, by persistence, by a hard common sense hidden under a smile and the shrug of a shoulder. This was the emergence, out of the rich Quebec soil, of another leader, whence so many had come since Champlain's time. And in Lucien's marriage to this blond girl, who spoke no French, one could see the hope that some day the two great races would unite, creating a race still greater.

This is the kind of thing which should go from Canada to the United States, and Mr. Hutchison rendered a valuable service to all Canada by writing in that way in a United States magazine with such a wide circulation.

Of course, no French Canadian will contend that we have all perfection and all virtue. We do not pretend that we are any better than our English-speaking fellow citizens, but it is merely a legitimate pride to contend that we are just as good, and what we want is to have the opportunity to show to the majority of the Canadian people that the province of Quebec is not behind any province in the war effort. I claim that for the people of my province; I insist upon that for them. I hope, according to the news I have received, that in the near future I shall be able to give that information to the English-speaking population of this country. I am sure that my fellow-citizens of a different origin are open-minded enough to take it objectively, without prejudice, and to judge as they deserve those who are responsible for the kind of propaganda which has given them such a false impression of good citizens who are just as anxious as they are to see this country prosper and to win the war.

Mr. COLDWELL: I should like to say a few words in connection with the information department under the minister. I believe that the situation which we now face in Canada and the grave domestic condition with which we are confronted are in no small measure due to the failure of the government's information service. Since the war broke out there has been, I believe, an opportunity for the information service to place the issues of this war in a manner which would have won a larger measure of support from all the people of Canada, had those issues been properly presented. I do not propose to go into details; but I sometimes think, after having read the translations of some of the talks, for example, that have been put over the French network in this country, that a great deal better could have been done. I have wondered why the ordinary common masses of the people could not have talked to the ordinary common masses of the people overseas, and vice versa. I believe that probably one of the ways in which the people of English-speaking Canada have been brought to an understanding of the issues of this war is through the talks we have had from fishermen, miners, farm labourers, and ordinary housewives in Great Britain, over the radio, in newsreels and by means of other broadcasts of that description which we have had from overseas.

I believe that we have suffered a great loss in Canada because we ourselves have not had the means of exchanging with the people across the seas our ideas for theirs. I have regretted ever since the war broke out, yes, before the war broke out, that we have not had a short-wave transmitter which would have enabled us and our compatriots of all national origins to speak directly to similar peoples across the seas. We have in this country Germans who are as much opposed to Hitler as we are, and with more reason. We have Czechs happily settled in this country free to follow their own ways of life. We have a Canadian population speaking the French language who still maintain many of the attributes of old France, and I am of opinion that the French-Canadian farmer speaking directly to the peasant of France would be better understood than almost any other medium we have. Broadcasts that are coming from Vichy and from Paris at the present time under German control, directed to our Canadian compatriots who speak the French language, say of course that the condition in France is far better than we know it to be, and misrepresent the intentions of the majority of the people of this country, the English-speaking majority, to our Canadian friends who speak the French language. If you follow, as I have followed, some of the broadcasts—not in French, for I do not understand the language sufficiently well; but I have read the English translations—you will realize the degree of difficulty that we encounter because our people cannot speak directly to the people across the seas and tell them of the actual conditions of democratic freedom that exist in Canada. The same

applies to the people who speak Polish and other languages—Norwegian, Dutch, Danish and so on, the languages of the peoples of oppressed Europe.

I believe that one of the finest things we could have done in the prosecution of the war from the point of view of the Canadian citizen, the unity of our people and the interpretation of Canadian, north American and British ideals, would have been done through properly organized short-wave programmes. Though we have a radio committee sitting and I am a member of that committee, I realize at the moment that we are discussing the appropriation of funds for this department; but by the time the radio committee rises, the budget debate will in all probability have been concluded and there will have been no opportunity to press for the establishment of a powerful short-wave transmitter for this dominion. If Great Britain were invaded —and of course it is not improbable that some attempt may still be made by parachutists to invade and seek to control a part of Great Britain—if any part of Britain were taken even temporarily by the enemy, if the British Broadcasting Corporation's transmitter at Daventry were put out of operation, there would be no powerful station within the British commonwealth that could speak to the rest of the world.

The parliamentary committee in 1938 recommended something of the sort. It said:

> Your committee was impressed with the importance of the establishment at an early date of a high-power short-wave broadcasting station. Such a station your committee believes would be a great utility in interpreting and advertising Canada abroad and in facilitating an exchange of programmes between Canada and other broadcasting systems. Canada, your committee has been informed, is the only major training nation without such facilities, and it is submitted that this should be financed as a national project operated and controlled by the Canadian Broadcasting Corporation. It should be a public utility and free from partisan control.

So that in 1938 the committee which sat at that time was strongly of opinion that we should have a short-wave broadcasting station for this dominion.

Mr. HANSON (York-Sunbury): Was that ever concurred in by the House of Commons?

Mr. COLDWELL: The report was presented but, as usual with our reports, I do not think it was formally adopted.

Mr. HANSON (York-Sunbury): If it were, it would be a command.

Mr. COLDWELL: I do not think it was ever formally adopted.

Mr. HANSON (York-Sunbury): The government allowed it to die.

Mr. COLDWELL: Nothing was done about it, and in 1939 this was a recommendation of another committee:

> The committee of last year emphasized the importance of establishing, at as early a date as possible, a high-power short-wave broadcasting station, financed as a national undertaking but operated and controlled by the Canadian Broadcasting Corporation as an integral part of its system.

There you have a reaffirmation of the belief that this should be done.

Mr. HANSON (York-Sunbury): But that was only a committee of parliament. Why was parliament not asked to pass upon it?

Mr. COLDWELL: I think the leader of the opposition knows quite well that reports are presented here and then more or less forgotten. Unless the government brings forward the necessary appropriation, nothing is done about the matter. To-day when we send a minister of the crown, as we sent the Minister of Trade and Commerce and members of his department, to South America on a good-will tour to promote trade and good feeling between ourselves and the South American countries, all that effort is lost if we are unable to follow up what he has done. A short-wave broadcasting station in Canada could convey to our South American friends the atmosphere of this country. It could tell them what this country was doing, both in peace and in war. I venture to suggest that to some extent the British have been a little suspect in South America, because they were looked upon as being imperialistic, financially, in their aims. The American, the Yankee trader if you will, has been suspect in South America because he has been looked upon as an even sharper trader and perhaps a greater potential imperialist than even the Britisher. But we in Canada have had no such reputation. We are a small nation, with no designs on anyone. We do not seek to dominate any part of the globe, either the isles of the sea or in South America. I believe we could have done much to bring the countries of South America a little nearer to us in this time of stress and difficulty if we had been able to speak directly from Canada to the peoples of South America.

To put it on a more prosaic ground, we have the matter of trade and commerce. With the way in which the world is disorganized to-day, even after the war is over Canada may find it difficult to obtain the raw materials she needs and to dispose of many of the commodities which she produces. The good-will of consuming nations in South America may be of very great value to us. Let us not

forget also that ever since the war broke out South America has been under a barrage of propaganda from the axis nations. I have a fairly powerful short-wave set myself, and often when I get home at night I tune in on the short-wave stations. I am amazed at the number of wave-lengths carrying programmes in Portuguese to Brazil and in Spanish to the other countries of South America, from Berlin, Rome and recently from Paris. We have had nothing to counteract that propaganda except the British stations, which sometimes have difficulty in being heard across the seas, and United States stations. As I said before, unforunately from time to time United States interests in South America have not been regarded in altogether the friendly way in which our own interests have been regarded there.

So I am suggesting that even at this late date the government should consider making the necessary appropriation, or authorizing the broadcasting corporation to make the necessary appropriation out of any surplus it may have, to construct a short-wave station at the earliest possible date. I have learned that it is not impossible, even now, to set up a short-wave radio transmitting station. I understand that there is still at least one transmitter available. Incidentally I have also been told—and the minister may correct me if my information is wrong—that as recently as last autumn the government or the corporation was negotiating with regard to such a transmitter. I believe that one of the great companies has offered to assemble and have in operation within a year a short-wave transmitter, at a cost of some $500,000. That seems a great deal of money, but when we consider that we are appropriating $2,000,000,000 for various war expenditures $500,000 is not a relatively large amount. Indeed, we can easily spend $500,000 on pamphlets, leaflets and literature of other kinds, and lose the advantage from it in a very short space of time, whereas a powerful short-wave transmitter would be a permanent asset to this country both in time of war and in time of peace. Even if it cost, as I understand it would, in the neighbourhood of $150,000 a year to operate—

Mr. THORSON: About $500,000 a year.

Mr. COLDWELL: I understand $150,000 would be much nearer the figure. I have heard the other figure mentioned also, but my information is that it would cost much less than $500,000. But supposing it did cost the government of this country $500,000 a year to convey to the rest of the world information with regard to Canada; to convey Canada, as it were, to the rest of the world. That would not be a very large sum of money. The value of the good-will resulting would be immeasurably greater than the amount that would be spent. So I am urging upon the government to-night that this matter be considered this year, and that Canada be given a voice across the world. Australia has a short-wave transmitter. It is not very powerful, but Australia is fortunate in having even a 25,000-watt transmitter at this time, for we are privileged occasionally to hear the voices of her statesmen speaking to the United States and the rest of the world. Britain, as I said before, has two transmitters, one of 100,000 watts and the other of 50,000 watts. If anything should happen to those transmitters, Britain would have no voice sufficiently powerful to talk to the rest of the world on behalf of the British commonwealth. It is true that Canadians have been able to broadcast good-will and other messages from time to time through station WRUL at Boston, the world radio university station, but that happens only infrequently. If we had a transmitter, not only could our own people speak to our allies across the sea but some of the outstanding figures from other countries who are now exiles in Canada could speak to their people as well. For example, teaching in the university of Montreal to-day is a great scientist from France, a man who was at one time a member of one of the French governments, serving as under-secretary of state. He was a radical socialist in politics. Lest anyone might misunderstand, may I explain that a radical socialist, before the fall of France—although the name may sound rather forbidding—was a very moderate sort of Liberal. He was just a little to the left of the Republican party.

Mr. HANSON (York-Sunbury): Not like these Liberals?

Mr. COLDWELL: Oh, no, not a bit like these Liberals—

Mr. MacNICOL: Possibly these are radical socialists.

Mr. COLDWELL: —because they are not very much less Conservative than the Conservative party.

Mr. THORSON: Do not spoil an otherwise good speech by being trapped into anything like that.

Mr. COLDWELL: Well, the temptation was almost irresistible.

We could use men of this description; and I am therefore urging upon the government that this should be done.

There is one other point I should like to mention before taking my seat, and that is one I raised in the house a short time ago. I do not believe in the suppression of free discussion. I do not believe the press should be interfered with, even in war time, except, of course, that it should not be allowed to publish information which would be of value to the enemy. In Canada I think we may all be proud of the fact that, without a great deal of censorship our own press has voluntarily looked after that angle of its news and of the war effort.

The other afternoon, however, I had occasion to refer to a publication being published in this country by an alien of enemy nationality. It will be noticed that I have not said he is an enemy alien—because I do not believe he is. I describe him as an alien of enemy nationality. I am referring, of course, to the publication of what is known as the "Voice of Austria". A day or two after I made the reference in the house, a bitter attack was lodged by Doctor Franz Klein, editor of the "Voice of Austria" in this country. I went to some trouble in trying to find out if there was any basis for the attack on Doctor Redler, and I have something I should like to place on record, just to keep the record straight, from the Austrian national committee. May I say that the Austrian national committee in New York consists of exiled Austrians of all shades of opinion, right from the monarchists through to the social democrats and the socialists of old Austria.

The Austrian national committee comprises forty of these outstanding Austrians, among whom are two former federal ministers, one former under-secretary of state for foreign affairs, a number of university professors now teaching in the United States and world-famous Austrians like Franz Werfel and Bruno Walter, the great conductor. I have before me a resolution passed by a special meeting of this organization and adopted unanimously on May 16 at their plenary meeting in New York. I should like to quote it:

> The plenary assembly entrusts the executive board to take all the necessary steps in order to make it perfectly clear that:
>
> 1. The Austrian national committee has nothing whatsoever to do with the attacks published in the "Voice of Austria" against statesmen of allied nations;
>
> 2. The Austrian national committee most energetically rejects the attacks published by the editor of this magazine against one of the members of the Austrian national committee.

That is Doctor Redler.

> Furthermore, it was agreed that the executive board should bring the resolution concerning the "Voice of Austria" to the attention of all the interested foreign authorities, in particular, the British and Czechoslovak.

I place that on record because of the injury which might have been done to Doctor Redler who is, I believe, in every way a man with a very fine record in the Austrian democratic movement, and who is living in exile in this country. I would suggest this, that when we are carefully supervising papers issued even by our own citizens, as we are in some instances, most careful supervision ought to be given to a publication published by one who is not only not a citizen of this country, but who is of origin the same as that of our enemies. The publication to which I have referred is published in New York, and for some reason Doctor Klein transfers himself to Canada with the result that just lately the paper has been published here. I wanted to place that matter on record because of other things which have been said recently.

It was my wish to bring these several points to the attention of the committee while the minister was before us, and I should like to hear him say to-night if consideration can be given to the establishment of a powerful short-wave station in this country. If consideration is given, I should hope that we may obtain the remaining transmitter which, I am told, is available, and use it for the present and future benefit of Canada and for the immediate war effort of the united nations.

Mr. THORSON: I should like to express my appreciation of the able manner in which the hon. member for Rosetown-Biggar has urged the erection of a short-wave broadcasting station.

Mr. MacNICOL: You will never get through your department this way.

Mr. THORSON: The subject has been and still is under consideration by the government. There is not complete agreement on the subject of a short-wave station, but I may say personally to the hon. member that I was very glad indeed to hear his advocacy of something which I think would be of great value to this country, not only at this time but in the post-war period, when Canada should be one of the great nations of the world.

Censorship is another matter which comes under my charge. It operates in a variety of ways, and in respect of various things. It has never been the policy in Canada, in Great Britain or in the United States to discuss the manner in which censorship operates. Generally speaking, the purpose of censorship is twofold. First, its purpose is to prevent information which might be useful to the enemy

reaching the enemy and, second, its purpose is to acquire information from the enemy or other sources that might be useful to our own cause. It is no part of censorship to suppress free speech or free criticism of persons or of the government; in no sense is that a function of censorship. I should not want to see any steps taken under the guise of censorship for the purpose of suppressing free criticism. Even during times of war there is real value in criticism.

I should like to advert to one unpleasant incident this evening, the quotation by the hon. member for Témiscouata (Mr. Pouliot) of a letter which he had received from someone and which had been written in another part of the country. I think it is much to be regretted that letters of that sort should be even referred to in the House of Commons. That sort of discussion cannot possibly do any good to anyone here in Canada, particularly at this time when there is the utmost need for the people in one part of the country to be as moderate as they possibly can in their references to the people in another part of the country.

I should like to advert also to a statement made by the hon. member for Broadview (Mr. Church). Sometimes I feel that I am not as free as a minister of the crown as I was when I was a private member. As a private member I could state that I would pay no attention to the hon. member for Broadview, but as a minister I cannot take that attitude. I must pay some attention to him because of the fact that he represents a constituency. But time and time again he has sought to make a differentiation between Canadians of British origin and Canadians who are not of British origin. That differentiation ought not to be made by anyone at this time. We are all Canadians regardless of our origin, regardless of whether it is British, or French or neither British nor French. We are all in this war. We have earned rights in this country which carry with them corresponding duties. This is a conflict which touches every individual in this country, and it is not the time for differentiation between Canadians of various racial origins. We are all united in our devotion to Canada and in our devotion to the cause for which all Canadians fight. That cause can best be described as the cause of humanity.

Mr. MacNICOL: Are we not devoted to the empire?

Mr. THORSON: We are deeply attached to our association with Great Britain and our sister dominions. The fact that we entered this war of our own accord does not lessen our attachment to Great Britain from which we inherit the traditions and institutions that are so dear to every Canadian regardless of his origin. I take second place to no man in this country in my devotion to British institutions and British traditions. I plead with everyone in Canada that at this time there should be the utmost moderation in thought and speech and the greatest respect paid by one part of the country to all other parts of the country.

Mr. MacNICOL: During the recent plebiscite the returning officers were appointed under authority of the minister, and I am sure that some of them must have notified the department of what happened in connection with the registration cards. Mr. Frank Saxon of Toronto writes me that perhaps twenty or thirty per cent of those presenting themselves to vote presented cards bearing addresses which were different from those at which the persons lived, they having moved since they first registered. Earlier in the afternoon the minister referred to the fact that in many instances it was found that men called up had moved from the addresses under which they had first registered. Mr. Saxon suggests that this difficulty would be overcome if these people could obtain new registration cards at local post offices. The new card could be of a different colour, and the original card would be returned to the department. The department would then have a complete and up-to-date record of the addresses of those who were registered. Has the minister had any report from his returning officers as to the effect of these people moving from their former addresses?

Mr. THORSON: I think there have been a million and a half address changes. I have not had brought to my attention the facts that the hon. member for Davenport now brings to the attention of the committee, and I shall be glad to bring his observations to the attention of the appropriate officers who are in charge of the national registration records.

Mr. BOUCHER: This afternoon the minister stated that the age limit for call had been raised from thirty to thirty-five years.

Mr. THORSON: No.

Mr. BOUCHER: That it was intended to raise it shortly in some places.

Mr. THORSON: I indicated that I would not be surprised if that step were taken in the near future.

Mr. BOUCHER: At the same time the minister indicated that one reason for doing that was that in certain military districts the

number of men within the age limits had been practically exhausted, and he referred particularly to military district No. 3 which is located at Kingston, Ontario. This strikes me as being a peculiar situation. The Department of National War Services is calling men within certain age limits, and I cannot understand why one particular military district should have its man-power within those age limits exhausted so that the government may have to raise the classification in order to get the necessary quota of men from that district. I wonder if it is a case of all available men within that age class who can be taken from industry having been taken. If that is so, how does it come that in military district No. 3—

Mr. THORSON: Administrative division C.

Mr. BOUCHER: In administrative division "C", which is military district No. 3, the age has been raised from twenty-eight to thirty, which would indicate, at first sight at all events, that a heavier drain has been made on the available man-power in that area than in other areas in Canada.

Mr. THORSON: Not necessarily.

Mr. HANSON (York-Sunbury): Per se.

Mr. BOUCHER: Not necessarily, the minister says, but I would ask how he can set aside that conclusion. In a particular area more men might possibly be drawn from non-essential war industries into essential war industries or into military service than in another area, but in that particular area we have the classification raised, or contemplated to be raised in order to get more men to fill the army quota—and that before even the lottery system has been embarked upon. Certainly it has every appearance of discrimination, if not in reality. It might very well be pointed out that enlistments in that particular area had so depleted the available man-power that a sufficient number of men were not available and that the government, in order to get more men, increased the age limit. I should like to hear an explanation from the minister.

Mr. THORSON: It would not be possible, for a multiplicity of causes, for the reserves of man-power to be the same in all administrative divisions across Canada. I have not any doubt that part of the situation that exists in administrative division "C" is due to a very heavy volume of enlistments of a voluntary nature in that division. That was its record in the last war, and I think it is its record in this war. But that is only one cause.

Mr. HANSON (York-Sunbury): Is that not the major cause?

Mr. THORSON: Similarly the man-power reserve available for call in another area may be reduced by reason of the concentration of essential war industries in that area and the fact that a large number of postponements of military training have been granted to men essential to war industry. When I made the statement about administrative division "C", I indicated that we were coming close to exhaustion in that administrative division. I also indicated that we would within a very short time be coming close to exhaustion in a number of other divisions. I also indicated that we would be in a better position to know what the reserves of man-power were in other administrative divisions after we had seen the full impact of, let us say, the agricultural regulations and the man-power reserve in the various administrative divisions. As we move up into the higher age groups, the number of men who can be brought into the armed forces becomes smaller and smaller. I do not think I can go further at the moment.

One of the reasons for the situation in administrative division "C" has been enlistments. Another reason has been postponements of military training for one reason or another. There may be other reasons that do not occur to me at the moment.

Mr. HANSON (York-Sunbury): I want to call the minister's attention to the fact that a serious attack was made here this evening by one of his own supporters on a division of his department, the bureau of public information. I hold no brief for the director of that division. I recognize in him one of the ablest publicity men in Canada.

Mr. THORSON: I did not understand that an attack was made on the director.

Mr. HANSON (York-Sunbury): No, but on the department, and it has not brought any response or any defence from the minister. That, of course, is his business.

I wonder if the members of the house understand exactly what the position is. I have received from time to time, as I have no doubt every member of the house has, letters protesting against the character of some of the press releases and information that is being given out, particularly with respect to the length of time that has elapsed between the times of preparation and distribution of the material. I took this question up with Mr. Lash, and we had some interesting correspondence. I was surprised to learn that this was the position: There are about fifteen or sixteen or seventeen publicity men attached to various departments of government all more or less related to war work, not to speak of peace-time propagandists attached to

various departments; this material prepared by this large number of press men, I learned, is sent in to the division of public information merely for, shall I say, distribution purposes, and the director has no authority to edit or alter one word of these releases. In other words, he is merely a conduit through which this information is distributed to the public. That is my understanding, and if that be so, I think the position ought to be reviewed.

A man of the experience of Mr. Lash as a publicist, with a flair for news, I suppose, equal if not superior to that of any of the young pressmen attached to the various government departments, should have some authority to put the "can" on some of the material that is going out or to alter or refer it back. That is a constructive suggestion I make to the minister. If my understanding of the position is correct—and I speak, of course, subject to correction—the present position ought to be reviewed. The bureau is working very hard, and I do not think at enormous expense. I had the figures once; I think they have been given to the house once or twice, and it is not an enormous expenditure. But through a misunderstanding I believe that the bureau of information is called upon to take some of the odium that properly belongs to the departments from whose officials the information emanates. I understand that the director of public information has no authority to refer back or even to edit the articles that are sent in to him. He must of necessity be just a distribution centre. I note that Mr. Lash has made some excellent radio broadcasts himself; I listen to them whenever the opportunity offers, which is not as often as I should like. He is an experienced man; that is why he is there. I have no doubt he was loaned to the government by the national railways because of his capability, and I do not think it is fair that the attack made on the bureau to-night should go unanswered. I do not like to see that type of incident happen, and I think the minister ought to do something with regard to it.

I rose merely because I had that thought, not to make a speech but to call attention to what developed here this evening, to give the committee my understanding of what the true position is, and to ask the minister to review the functions of this bureau with respect to the flow of material which must come to it from all these different sources. There are, I think, too many pressmen in the employ of the government. I have the idea that the newspapers of this country, if given a free hand, could do a much better job with respect to public information than all these liaison officers in the departments. That is something which is worthy of consideration. I know that there are newspaper men in Canada who hold that view. The government thinks it necessary to have all these men putting out miles and miles of propaganda, but the public know it is propaganda, and they discount a lot of it. It is not objective enough. It savours of propaganda, and the people do not believe all they read.

Mr. THORSON: The leader of the opposition has suggested that I should reply to the attack made on the bureau of public information by the hon. member for Témiscouata. I do not know whether I should reply to everything the hon. member said.

Mr. HANSON (York-Sunbury): Oh, I did not say that.

Mr. THORSON: I had sent in to me just a little while ago a memorandum reading as follows: "Long distance competition in patience: first place, Thorson; honourable mention, Job".

Mr. HANSON (York-Sunbury): What about the members of this committee who have had to listen to it?

Mr. THORSON: I have been waiting for someone to ask me for information with regard to the division of public information, which is one of the divisions under my charge. Most of the time that I have been before the committee the discussion has been on the division of mobilization, and has dealt with only one aspect of the mobilization division.

Mr. FRASER (Peterborough West): You have too many divisions.

Mr. THORSON: I do not think so.

Mr. FRASER (Peterborough West): I do think so. The minister should have mobilization only.

Mr. THORSON: Everyone is, of course, entitled to his own opinion.

Mr. FRASER (Peterborough West): Well, that is enough for him.

Mr. THORSON: I am delighted with the opportunity of indicating what the functions of the bureau of public information are, what its objectives are, and the manner in which it functions, but it would take some time. It cannot be done in just a few moments.

Mr. MacNICOL: We want to get through this summer some time.

Mr. THORSON: There is a great misunderstanding as to the particular function of the bureau of public information to which the

leader of the opposition has made reference. The bureau is not in competition with the daily press of Canada. It is not a function of that bureau to prepare official news announcements for the use of the daily press; not at all. All the daily newspapers of Canada have their news-gathering organizations; they have their representatives in the press gallery; they have their parliamentary correspondents in Ottawa; they are members of either the Canadian Press or the British United Press, and these news-gathering organizations send news to their member newspapers. The various news-gathering organizations get the news direct from the government departments. The spot news, as it is called, goes direct from the departments to the press gallery, to the Canadian Press, and to the British United Press. The bureau of public information, in so far as spot news is concerned, has very little to do with the daily newspapers. There are, however, a great many other functions which it has to perform and may quite properly perform. While the association between the bureau of public information and the daily newspapers is of comparatively small importance, the association between the bureau and the weekly newspapers is, on the other hand, much closer. The service which the bureau of public information can render to the weekly newspapers at their request is very much greater than it attempts to render to the daily newspapers, who have their own individual news-gathering organizations and set-ups.

The leader of the opposition referred to the fact that a great many men are engaged in publicity work of one kind or another, or public relations work of various kinds, in the departments. One of the purposes of the Department of National War Services was said to be, in the order in council which assigned that function to it, the coordination of existing sources of public information. There were in existence already publicity set-ups in the three departments of national defence; there were also publicity and public relations branches in the Department of Munitions and Supply and in a number of other departments of government. It has never been considered either possible or desirable that all agencies of either publicity, public relations or public information should come together exclusively in one department under one administration.

It was thought that greater success could be achieved in coordinating public relations and public information by a policy of cooperation than by an attempt to have everything go through one funnel. The manner in which the division of the bureau of public information has operated almost since the commencement, and certainly after I came into the department, was to follow that policy of coordination by cooperation rather than by regimentation. We established in a formal way last July an interdepartmental committee, which had operated in a more or less informal way previously. That interdepartmental committee is presided over by the Hon. T. C. Davis, one of my associate deputy ministers. It meets weekly with the representatives of publicity and of the various press organizations of the war departments and various other organizations. The following departments and organizations of government have representatives on this interdepartmental committee: the three departments of national defence; Department of Munitions and Supply; Department of Labour; wartime prices and trade board; national war finance committee; foreign exchange control board; Department of External Affairs; Canadian Broadcasting Corporation; national film board, and bureau of public information. I know exactly what will be said if I start to give a description of the bureau of public information; but I am handicapped again, as I have been previously, in that I have a request to explain the operations of a division of the department and then am told that I should do so in one or two words.

Mr. HANSON (York-Sunbury): I did not invite the minister to cover the whole field. All I was bringing to his attention was a situation which I think at present exists and which needs correction. That is all I want him to talk about.

Mr. THORSON: This interdepartmental committee has served a useful purpose in coordinating public information.

Mr. POTTIER: I rise to refute a statement made by the hon. member for Broadview (Mr. Church). While speaking in a general way he indicated that Ontario was No. 1 in enlistment in the army, navy and air force. I have here the best figures I have been able to obtain. They first appeared in a Toronto paper, and I am sure they would have been at least fair with Ontario. In these figures Ontario appears to be the sixth province down the line. I will give the number by provinces up to that point. These are per 10,000 of population. Nova Scotia and Prince Edward Island, taken together, give 495 persons as having joined the army, air force and navy—and I am talking about the active service. Manitoba is next with 490 persons; British Columbia third with 483; New Brunswick fourth with 428; Alberta fifth with 444; and Ontario not first, but sixth, with 426 persons

for every 10,000 of population. I wish to correct the hon. member for Broadview in that regard.

Mr. MacNICOL: The hon. member meant in numbers.

Mr. STIRLING: What are the figures for the rest of the provinces?

Mr. POTTIER: Saskatchewan, 326; and Quebec, 204.

Mr. GILLIS: I have no desire to prolong the discussion, because I realize that the minister has been patient and long-suffering. Members of the committee could walk out at any time, but the minister could not. He has my sympathy. In the course of my remarks this afternoon I referred to representation on the boards. I still contend there is a necessity for a rearrangement of the personnel of the boards. My contention is that in the past they served a purpose. The board in Nova Scotia, with which we have had no quarrel in the past, consists at present of the Hon. Mr. Justice Doull of the supreme court, His Honour N. R. McArthur and His Honour K. L. Crowell, three judges. As I visualize the functions of these boards in the future it will require considerable moving around, because in my opinion most of the men who will be called for service in the future will come from the industries, and while the employer has the right to sit in and protect his interests—

The CHAIRMAN: It is eleven o'clock.

Mr. THORSON: May we not allow the hon. member to finish?

Mr. GILLIS: I shall be only a minute; I want the minister to answer a simple question. In the United States, in connection with the national selective service there, as outlined recently by the man in charge, there are community boards.

Mr. THORSON: There are about 6,500.

Mr. GILLIS: Yes; and in the community there is no difficulty in making decisions. There is a large call-up from the industrial section now, and it is necessary for the board to sit. I visualize considerable difficulty in that connection, and I am wondering if the minister would not consider allowing on the boards representation from the labour unions. In the New Brunswick set-up the secretary of the federation of labour for New Brunswick sits on the board. Could that not be done in the other provinces? I think labour is entitled to a representative on the board. The employer has the right to go there; all the others sit in judgment on whether or not a man is essential, except the man who is going to be taken. I do not say that each and every union should be represented, but I believe the provincial organizations, the federations and so on, should be entitled to representation on that board, as is the case in New Brunswick. I think before we go much further with this business of taking men from industries we are going to have to adopt the United States set-up if we want to have the system function properly. They are serving without remuneration; there is no cost; in my opinion the procedure is much quicker and the decisions much more practical, because the decisions are made by men who live right in the community and who know the conditions that exist. I think we shall have to consider adopting that system. Will the minister give consideration to the possibility of giving the working men representation on these boards?

Mr. THORSON: That may well be given consideration, particularly in those districts or divisions in which there are large concentrations of war industries. I shall be very glad indeed to give further consideration to the suggestion of my hon. friend.

Progress reported.

It being five minutes after eleven o'clock, the house adjourned, without question put, pursuant to standing order.

Tuesday, June 2, 1942

The house met at three o'clock.

RAILWAYS AND SHIPPING

Third report of standing committee on railways and shipping owned, operated and controlled by the government.—Mr. Howden.

WAR PRODUCTION

PRESS REPORT AS TO ESTABLISHMENT OF COUNCIL TO UTILIZE FULLY UNITED NATIONS FACILITIES

On the orders of the day:

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, I should like to ask a question of the Minister of Munitions and Supply arising out of a press dispatch from Washington appearing in this morning's paper. The dispatch states:

A production council to utilize to the limit the manufacturing facilities of Canada, Britain and the United States in fabricating the weapons required for the united nations on all fronts, will be set up here this week.

That is, in Washington. Would the minister tell the house whether or not that report is accurate. It then goes on to say:

Canada will not be represented directly on the production board, but its interests will be handled by Nelson.

That is Mr. Donald M. Nelson of the United States. Is this report accurate; and if so, why is it that Canada is not being represented?

Hon. C. D. HOWE (Minister of Munitions and Supply): I understand that discussions will take place this week in the matter of forming a production council. I expect to join in the discussions myself. What will be done in any particular is a matter for those discussions to determine. I know only that the discussions are taking place.

Mr. GREEN: The report says:

Canada will not be represented directly on the production board, but its interests will be handled by Nelson.

Is that correct, or is it a misstatement?

Mr. HOWE: I cannot say. So far as I know, there is no production council at the moment. The matter for discussion is as to whether or not one will be formed, and it is a little difficult to say who will be represented on it.

Mr. CHURCH: You are away behind in your contributions to Britain and Russia, and Washington is behind so far in production promised Britain and Russia for 1942.

BUSINESS OF THE HOUSE

CONDUCT OF DEBATE ON WAR APPROPRIATION BILL

On the orders of the day:

Mr. J. K. BLAIR (Wellington North): Mr. Speaker, I would like to lodge a protest against the foolish speaking that is going on in this house day after day.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member may not make a speech at this time. There will be opportunities later in the day.

WAR APPROPRIATION BILL

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

The house resumed from Monday, June 1, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

Mr. BLAIR: Mr. Chairman, I regret I was a little previous.

Mr. MACKENZIE (Vancouver Centre): And you may be yet.

Mr. BLAIR: My attitude has been suppressed for a long time, but the foolish speaking in the house is a disgrace to the house.

Mr. MacNICOL: Hear, hear.

Some hon. MEMBERS: Order.

The CHAIRMAN: In the first place, the hon. member's expression is not in order and, in the second place, we cannot discuss in committee the procedure that is followed in the house. The hon. gentleman is now suggesting that a procedure which is followed when the house is sitting should be followed now. The proper time to discuss that is when the house is sitting. The matter before the committee is a resolution for $1,500,000,000 to be granted to his majesty with respect to war expenditures.

Mr. BLAIR: We are wasting a great deal of money here day after day which could be put in the proper channels to aid the war expenditures. When we look at the galleries we see that the people there are disgusted with the house.

The CHAIRMAN: Order. It is not permissible in a speech to make reference to the people in the gallery. I am sorry to have to call my hon. friend to order, but he is making a reflection upon the house which is not permissible under the rules.

Mr. BLAIR: If this is to keep up I suggest to the government that they impose closure. That was done before by Right Hon. R. B. Bennett when the circumstances were not quite the same. I urge upon the government that it adopt some means of removing this bane of democracy. Talking incessantly is one of the things that destroys democracy. Some toleration should be extended; we all believe in freedom of speech, but this excessive speech-making takes up the time of the house and wastes the money of the country. I am sure it is the opinion of 90 per cent of the members of this house that this action should be taken.

While I am on my feet I should like to suggest to the committee one way by which some of this money might be obtained. The federal government should suggest to the provincial governments that they do away with the traffic in liquor. Two hundred million dollars in the form of planes and guns for the front would do more good than it does the way it is spent now, especially in the beer parlours for the ladies. I know this is not under your jurisdiction, but if the provinces are not ready to abolish this traffic, the federal government has it in its power to abolish liquor completely.

NATIONAL WAR SERVICES

Mr. DIEFENBAKER: Yesterday I asked the Minister of National War Services (Mr. Thorson) for some information which should now be available. This has to do with a matter that concerns not only this house but the country as a whole—the results of the survey made by the government of the number of men available in the various age groups. As was mentioned last evening by the hon. member for Carleton (Mr. Boucher), the position to-day is that in certain districts men between the ages of twenty and twenty-four years are being called up, whereas in other districts the call has been extended up to the thirty-year-old group. The minister stated that so far as certain age groups are concerned, the point of exhaustion is being approached.

What I asked for yesterday—it was no fault of the minister that he did not then give an answer—was the number of men in the different districts between twenty-one and twenty-four years of age and between twenty-four and thirty years of age who are still available for war service. This information is in the possession of the government; for the minister was able to say that the number of men within certain groups is about exhausted, and also he admitted yesterday that the information is available on the basis of the national registration. I said as reported on page 2933 of *Hansard:*

> The information must be available, on the basis of national registration, which will show exactly the number of young men in the various age classes and the records of the numbers who have been called up.

To which the minister replied, "Oh, yes." The country must have the information I am asking for in order to know the present position of our voluntary system of recruiting and the possibility of being able to secure the necessary men by the continuance of the voluntary system. We would then be able to come to a conclusion as to whether or not the time has come to extend the age class beyond thirty years, possibly to thirty-five or thirty-eight for single men, as well as including married men. What was the nature of the survey made by the government? What has that survey shown? What pool of man-power is available for labour, as shown by the recent census? How many men are still available for service within the age groups twenty to twenty-four years and twenty-four to thirty years, according to divisions?

The calls being made to-day are made in a spasmodic, slipshod and unscientific manner. We are going into one part of the country and calling up men to the age of thirty years, while in another part of the country we are calling up men only to the age of twenty-four years. Surely the time has come when there should be equality in the calls. Unless we have this information, the debate on the necessity for changing our voluntary system to compulsory selective service will be based merely on individual impression. All we will have will be one man's against another man's opinion, neither of them based on statistical information.

Only yesterday we saw an example of the difference of opinion that can exist. The adjutant general gave certain figures which appeared in the press, in regard to the proportion of men called up as R recruits who ultimately find their way into the active army. At the same time and in the same paper there appeared a statement by the deputy minister of national war services which indicated different percentages. Surely the minister is in position to furnish the house and the country with the information I have asked for. Without this information each member will have to substitute his own opinion for facts based on statistics.

Mr. THORSON: Mr. Chairman, I have already covered the ground in respect to which the hon. member for Lake Centre is asking for information in so far as it is possible to cover it. I indicated that in one of the administrative divisions, Kingston, the point of exhaustion of the present age groups up to thirty was very close at hand in so far as the calling of men for military training and subsequent service in the army for the duration of the war is concerned. It is fairly easy to determine that that state of affairs exists because there will be no more men forthcoming in that area.

With regard to the other administrative divisions I indicated likewise that there were

at least two divisions where we would soon be in that situation. With regard to other divisions I indicated that we would not know the real extent of the man-power reserve that still exists until we had felt the full impact of the agricultural and other regulations.

In each division we know the number of single men there are by age groups. We likewise know the number of men we have called. We know the number of men to whom we have sent notices to report for medical examination. But I could not give the figures at the moment by age groups of the number of men who have enlisted. That would involve a review of attestation papers, because, so far as I am aware, enlistments are not recorded by age groups. That information could be obtained but it would require a great deal of work.

Mr. DIEFENBAKER: Does the minister say there is no record kept showing by age groups the number of men who have voluntarily enlisted?

Mr. THORSON: The number of men who have enlisted is certainly available.

Mr. HANSON (York-Sunbury): Yes, and their ages.

Mr. THORSON: I do not know that there is a record kept by the Department of National Defence of enlistments by individual ages. I do not see what advantage there would be in having such a record.

Mr. HANSON (York-Sunbury): They do not take them under eighteen or over a certain age, so that they must have knowledge of their ages.

Mr. THORSON: They have the ages on the attestation papers.

Mr. HANSON (York-Sunbury): And that is available to the minister.

Mr. THORSON: I have no doubt that that information could be obtained, but I imagine it would take a good deal of work and time to get it. I doubt very much whether the enlistments are recorded by individual ages.

Mr. BOUCHER: Then how can the minister know that the numbers in a certain age group are almost exhausted? The minister knows the number of available men in the different age groups through the national registration; how can he say that the numbers in any age group are nearing exhaustion if he does not know the number in that age group who have enlisted?

Mr. THORSON: It is easy to see the situation when there are no more men available.

Some hon. MEMBERS: How?

[Mr. Thorson.]

Mr. THORSON: Because there are no more men to receive notices. It is one thing to know when the state of exhaustion has been arrived at in a particular division, but it is quite another thing to know how many men are still available in another division—quite a different thing. In respect of the divisions where there are still men available the information as to how many are available in those divisions cannot be given without an immense amount of work. Some divisions must reach a state of exhaustion of the man-power reserve before others. The divisions cannot all go forward at exactly the same pace. You may reach the stage of exhaustion in one division before you do in another.

Mr. BOUCHER: How does the minister arrive at the conclusion that the numbers of men within a certain age group in a certain district have almost reached the point of exhaustion?

Mr. THORSON: Because there are no more cards and no more persons to send notices to.

Mr. BLACK (Cumberland): What are the two divisions that are practically exhausted?

Mr. HANSON (York-Sunbury): And the other two which are approaching that position?

Mr. THORSON: The other one that is very close to exhaustion is administrative division F, Quebec. Another one that is very close to exhaustion is administrative division K, Vancouver.

Mr. HANSON (York-Sunbury): And the other two?

Mr. THORSON: I mentioned only three. I have named administrative division C, and the other two I have in mind are administrative division F, Quebec, and administrative division K, Vancouver.

Mr. HANSON (York-Sunbury): I understood the minister to refer to two other administrative divisions.

Mr. THORSON: No.

Mr. HANSON (York-Sunbury): Then I misapprehended. The information asked for this afternoon is of extreme importance. The minister has stated in reply to the hon. member for Carleton that by counting the cards it is easy enough to arrive at the situation in divisions which are near exhaustion. If I appreciate the machinery correctly, there is, to start off with, a given number of cards in a given administrative district, and they are divided into age groups. That is possibly the only visible result of the national registration

of which the country is aware. The call for volunteers comes and certain numbers in those different age groups volunteer. That information filters through and their cards are eliminated from the records in the minister's department. Certain names are eliminated, and there are so many left. Surely by the process of eliminating those who have gone through the volunteer stage it is simple enough to count the number of cards left and determine the number of men available, by exactly the same process as that by which the minister arrives at the conclusion that in a certain administrative division, C, the reserve is near exhaustion.

We cannot accept the minister's answer. It does not make sense. It is an evasion of responsibility on the part of the administration to withhold this information from us. We shall insist on having it between now and the time of the debate on the mobilization act. It is our right to have the information. It is possible to get it, and we shall insist on having it. None of the difficulties to which the minister has referred is of any great importance.

Mr. ROSS (Souris): It was stated last night that to-day we might discuss the war appropriation bill under different departments which are indicated in *Hansard,* and the Minister of Agriculture said that he would be prepared to answer questions. I should like to ask him two or three questions regarding agriculture.

Mr. ILSLEY: I wonder if we cannot by mutual consent organize this discussion to some extent. If agriculture is to be taken up now with the consent of the committee, and if the committee will stick to agriculture until it is through, I do not think there will be any objection.

Mr. ROSS (Souris): It is the first item there.

Mr. HANSON (York-Sunbury): That is a perfectly proper proposal; start on one and finish it.

Mr. ROSS (Souris): I was simply starting out in accordance with the procedure suggested by the minister last night at the adjournment.

The CHAIRMAN: The committee may make any suggestions as regards the procedure it will follow, but, as suggested by the Minister of Finance, it will make for greater clarity of the record if one department is finished with before another department is taken up. If that is the pleasure of the committee we will follow that rule.

Mr. ILSLEY: It is obvious that we cannot take a vote as to which department we will go on with. It is the responsibility of the government, and the decision is that agriculture be proceeded with now.

Mr. HANSON (York-Sunbury): That is settled?

Mr. ILSLEY: Yes.

AGRICULTURE

Mr. ROSS (Souris): The production of poultry and eggs affects more farmers than that of any other agricultural commodity in Canada at the present time. I believe the minister realizes that a great deal has been done to encourage the development and expansion of these products. It has been pointed out to me, by people who I think should know, that in the near future there may be difficulty in selling these products to Great Britain. They claim they have been told that the food ministry of Great Britain can procure these articles through the lease-lend law of the United States much more easily than they can get them from Canada. I think the minister should tell us what provision was made, respecting the billion-dollar gift to Great Britain, for the supply of agricultural products —not merely those I have named, but others as well—in order that the producers may have some idea as to what the marketing possibilities of these products will be.

On page 2921 of *Hansard* there is an item, under wartime prices and trade board, of administration, $3,380,000, and another item, subsidies under price ceiling order, $50,000,000. The minister might explain the break-down under those two heads.

It may be a little out of order, but I do not think it is premature to ask the minister if he has any thought of making provision under the price ceiling regulations for harvest wages this fall. We had some serious difficulties last fall in the harvesting of our crop. There were people going through the country who were not eager to work and were demanding rates of pay some of which were ridiculous. It has been pointed out here that when this price ceiling was set on agricultural products, many items were fixed at far below the cost of production. If agriculture must produce on that basis, surely the government should take steps to regulate wages in the production of those necessary articles. The people who are going to work on the farms this fall should receive fair remuneration, but the government should step in and set a scale of wages covering the services which these men will give in the harvesting of the crops.

Mr. GARDINER: I do not know whether I can keep in mind all the questions which were raised by the hon. member, but if I miss any of them he can ask them again.

I believe the first suggestion was that I explain to the committee just what is the position in relation to eggs and poultry. It will be recalled by hon. members that at the beginning of the war we set up the agricultural supplies board, which is composed of six of the officials of the department—the four heads of the different divisions, and the assistant deputy as well as the executive assistant. This committee has working under it special boards which deal with different products. We have the bacon board, which deals with pork products; the dairy board, which deals with dairy products, and a special products board, which divides its activities into two sections, the poultry products section and the fruit and vegetables section. They enter into negotiations with the British government with regard to the production and the marketing of the different products in Great Britain.

So far as poultry is concerned arrangements have been made for the marketing of eggs. Since the poultry section was created in April, 1941, the board has entered into contracts with the British Ministry of Food for supplies of Canadian eggs and has handled all shipments of eggs to the United Kingdom. Contracts and shipments of eggs are as follows:

In 1941 the contract was for 460,000 cases, and we supplied 457,451 cases.

In 1942 the contract was for 1,500,000 cases, and there have been supplied, of shelled eggs, 367,608 cases. On February 6, 1942, instructions were received from Britain to forward the remaining quantity, that is the remaining part of the larger order of last year, the 1942 crop, as dried eggs. Shipments in shell to that date totalled 137,630 cases, leaving 1,362,370 cases to be dried. We have three egg-drying plants, one at Toronto, one at Winnipeg, and one at Saskatoon. These were brought into immediate operation to dry eggs for the board. Milk-drying plants at Ottawa, Gananoque, and Belmont, in Ontario, were converted into egg-drying plants, and additional drying plants are being constructed under private auspices at Toronto, Winnipeg, Calgary and Edmonton. The plant at Saskatoon is being enlarged. These plants are being constructed under agreement with the Canadian government. Their period of usefulness is expected to end at the close of the war. Certain assistance therefore has been given in connection with the setting up of those plants.

[Mr. J. A. Ross.]

I think that is all that it is necessary to say with regard to the egg contracts. They have resulted in all the surplus eggs being taken from the Canadian market and sent to Great Britain.

Mr. SENN: Are the returns from the dried eggs to the farmer as great as they were when the eggs were sold in the shell?

Mr. GARDINER: My understanding is that they will be. The prices remain as they were arranged for in the contract.

Mr. SENN: The minister did not state the selling price of the eggs to the British board. Has he that information available?

Mr. GARDINER: The original agreement was for eggs at 28 cents during the high production season and at 32 cents at another period—I have not the exact months before me. Later we arranged to add 3 cents to that price, the amount being taken out of the treasury of Canada, to make it up to 31 and 35 cents.

Mr. CHURCH: Would the minister care to make a statement on the beef situation in Toronto under this agriculture item, on the wartime prices and trade board—

Mr. ROSS (Souris): Could we have a little sequence to this? The minister has only started to answer the questions I asked.

Mr. GARDINER: What was the next item mentioned by the hon. member?

Mr. ROSS (Souris): I asked if the minister could give us an idea as to the different types and amounts of agricultural products that have been or will be included under the billion dollar gift to Britain.

Mr. GARDINER: The question is whether I can give the committee the different amounts of the farm products which will be supplied to Britain under the billion dollar gift. It would be difficult, because of the nature of the agreements themselves, even to make an estimate of what proportion will be taken care of under the billion dollar gift. For example, under the agreements in connection with bacon we enter into an arrangement with Britain as to what price she is prepared to pay for bacon, and then we proceed to supply bacon at that figure. A financial arrangement has been entered into between the Department of Finance and the treasury in Britain, with regard to the division of the billion dollar amount which is a gift by Canada to Great Britain. I am not in possession of the facts, and I doubt very much if the Minister of Finance would be able to say just what proportion of the amount which will be

required to take care of the total payments for bacon will be charged up to the British treasury, and what proportion eventually will be charged to the government of Canada. I think a near approach to the position can be found by examining past agreements.

Our agreement of last year provided for payment on the basis of 80 shillings. I think if we leave out for the moment places at which payment was to be made, we can get our proportions a little more clearly. The agreement this year calls for a payment of 100 shillings. If we were to say that Britain is not prepared to pay more this year than she paid last year, then it would be obvious that about 25 per cent of the amount paid last year per hundredweight would be expected to come out of the financial arrangements with Canada for this year. But I am not at all certain that it can be stated in such definite terms. Britain was prepared to pay us and did pay at the end of last season 85 shillings, although she contracted to pay only 80 shillings; and there has been an increase therefore from 85 to 100 as compared with the end of last season. But the government here have agreed to advance a billion dollars to Britain which is to be expended for war materials, including food, and some agreement will be made as to the division of the amount as time goes on.

Mr. ROSS (Souris): Would wheat be included in that?

Mr. GARDINER: It has not been, up to date, and I am not sure whether it will.

Mr. ROSS (Souris): There was another question—whether the harvest wages will be taken care of under the price ceiling structure.

Mr. GARDINER: I can only say that the prices board is under the control of the Department of Finance, and the labour situation is under the control of the Labour department. All we do in connection with agriculture is to make representations to them from time to time as to what the labour situation is in agriculture, and make any suggestions we can as to how it might be dealt with. I think this matter would be better discussed when one of the ministers is before the committee.

Mr. ROSS (Souris): Then there is the $50,000,000 subsidy under the price ceiling order. How is it divided? What products does it cover, and to whom are the different amounts paid?

Mr. GARDINER: That comes not under my department but under the Department of Finance.

Mr. HANSON (York-Sunbury): How much is going to agriculture? Does the minister not know?

Mr. GARDINER: The amount was stated in *Hansard* yesterday at page 2920. It is $11,042,281.

Mr. HANSON (York-Sunbury): On the same page there is an item under the head of Finance, "Subsidies under the price ceiling order, $50,000,000." What proportion is to go to agriculture?

Mr. GARDINER: Where does that appear?

Mr. HANSON (York-Sunbury): Near the bottom of the page.

Mr. GARDINER: That is under the Department of Finance. I have no knowledge as to what these subsidies are apart from what we have seen from time to time as applied to certain products. There were subsidies in connection with milk and certain juices and things of that sort. That is entirely under the war prices board and comes under finance.

Mr. DOUGLAS (Weyburn): Then there is an amount of $3,700,000 in connection with disposal of agricultural products.

Mr. GARDINER: That has no connection with the other.

Mr. DOUGLAS (Weyburn): Assistance given in disposing of surplus agricultural products.

Mr. ROSS (Souris): I wish to urge upon the minister that heed be given to the suggestions which have been thrown out with regard to the harvest months this fall. The farmers are very much interested in this matter.

Mr. ILSLEY: I will pass them on to the Minister of Labour.

Mr. SENN: I suggest that the minister should take each of these items separately and give an explanation. There are eight or ten items amounting to $11,000,000 and it would be better if, instead of his being asked a separate question under each item, he would make a general statement giving us an idea as to how the money is to be expended under the various items.

Mr. HANSON (York-Sunbury): I agree with that; it is an orderly way to proceed. I should like the minister to give a statement with respect to the $3,700,000 for the disposal of agricultural products rendered surplus by the war. There is still, I assume, an apple situation in Nova Scotia. This is a distressed industry owing to the fact that we cannot find bottoms to ship Nova Scotia apples to the

other side. It would be interesting to know whether the government is subsidizing farmers in the Annapolis valley to-day in a class of work which good apple husbandry requires them to do themselves. I am told that the farmers in the Annapolis valley are receiving a subsidy to take out the old mature dying and dead trees in their orchards. That is something they should do as a matter of course, but with respect to assistance in the disposal of surplus crop, this government has assumed an obligation and should continue to carry it until some other disposition of the crop is made. How far are we carrying this agricultural assistance? Members from the east would like to know.

There is a further question on the million dollars for fertilizers. I should like to know what is being done in that regard. I am told that not one dollar of it is going to the potato farmers; it is going among other farmers. Why the discrimination against potato farmers in New Brunswick and Prince Edward Island? These are pertinent questions on which we should have some information.

Mr. REID: I do not think there are any potato farmers getting a subsidy.

Mr. HANSON (York-Sunbury): I understand that is so; but why?

Mr. ILSLEY: There is an explanation.

Mr. HANSON (York-Sunbury): There may be, but let us have the reason for it. There may be a good reason, but the farmers do not understand it. They think it is rank discrimination against them. I do not say it is, and I am prepared to wait until we hear the explanation before passing judgment.

I should like to ask the minister a question with reference to potato production in this country. According to a Canadian Press dispatch dated Ottawa June 1, entitled "Canada raises potato output for U.S.A.," it is announced that:

> Joint Canadian-United States action to increase the Canadian potato production for sale in the United States and to step up Canadian output of hog products was announced to-day by the agriculture department.
>
> The plans, which have received formal approval of the Canadian government, follow recommendations of the joint economic committee of Canada and the United States.

I am more particularly interested in the potato part, which follows:

> The potato arrangement provides that steps will be taken to increase Canadian potato production, for sale as table stock in the United States in the event of a short crop in that country or for manufacture into starch for lease-lend shipment if United States production meets table needs.
>
> The United States has undertaken to purchase up to five million bushels of Canadian potatoes for conversion to starch. These will be purchased at the prevailing United States prices for starch potatoes in the area of processing.

That of course will be a low price.

> Under the announced price programme the floor price for United States No. 1 potatoes at Aroostook, Me., is $1.25 a hundredweight sacked and loaded f.o.b. cars.
>
> Present indications are that production in Canada and the United States will be below the domestic requirements of north America for seed and current needs, including starch.
>
> Existing trade agreements provide that if the United States production goes below 350,000,000 bushels, the Canadian quota admissible to the United States at a reduced rate of duty is increased automatically by the amount which the United States crop is below the 350,000,000.
>
> Agriculture officials at Washington report it is likely that under this agreement between 9,000,000 and 10,000,000 bushels may be added to the Canadian quota this year.

That is very substantial. But this is the second day of June; this announcement is just out. Have our potato growers in Canada been apprised in advance in order that they may make preparation for this increase in production? I understand that the acreage in potatoes in New Brunswick has been substantially reduced and that no preparations are being made to meet this immense increase in our quota to the United States. I welcome it, make no mistake about that; for a long time we have wanted to get that market. We have always met resistance from the Aroostook farmers. They have been strong enough with their great fruit and vegetable growers' organization to keep our product out, whereas, *per contra,* their influence with their government has been strong enough to prevent Canada from imposing an exchange duty against their products. Hence we have no exchange duty against early vegetables coming to this country, and have been limited to a more or less miserable quota for good table potato stock going to the United States.

I welcome this reported arrangement. It is a fine demonstration of how people can come together during war time. Besides asking whether this report is true, as I assume it is, I should like to know whether the potato farmers of Prince Edward Island and New Brunswick have been notified in time to enable them to take advantage of what looks like a good opportunity for increased production. Have the agricultural supply boards been informing the farmers? I am afraid it is too late if the word has not already gone out. I read the local papers from my province every day and I have not seen in them a word about this. It is

now the second day of June, and if the farmers have not the seed and fertilizer and the ground ready, it is a month too late.

Mr. ROWE: And this year's crop is all sold.

Mr. GARDINER: The trade agreement between Canada and the United States, which has been discussed in this house, sets up the conditions under which we trade with them in potatoes among other things. The recommendations of the international economic committee which was set up to consider matters of this kind were made about a month ago. That was first considered here; then it had to go to Washington and be considered there, and there was no possibility of making an announcement earlier than yesterday. It will be realized that there is no possibility of either the United States government or the Canadian government determining at this time whether more potatoes will be required in the United States, for the very reason indicated a moment ago. We have just passed or are just at the seeding season for potatoes in many parts of the continent.

Mr. HANSON (York-Sunbury): The acreage is one indication.

Mr. GARDINER: Yes, and the weather is another. For the last two or three years, probably in any year, our potato acreage has been sufficient to supply our own market plus any other markets we could find. Our difficulty has been a surplus; it is not a matter of acreage. The United States people came to us with the suggestion that this year there is a possibility of an acreage shortage, or that even if they have as high an acreage as usual this was probably not going to be a particularly good potato year in certain parts of the United States, and they asked if this country would make whatever provision we could, without running ourselves into serious difficulties, to provide for the situation. We made a careful survey of the situation in Canada and we think the acreage being put into potatoes will take care of any possible demands, provided we have an average or better than average crop.

Mr. HANSON (York-Sunbury): Will the minister indicate what that survey reveals? Is there a reduction in acreage? My understanding is that there is a definite reduction in New Brunswick.

Mr. GARDINER: Possibly there is in New Brunswick. I am not certain whether there is a reduction across Canada. I do not think anyone can say definitely, because in certain parts of Canada we are just about at planting time; around May 24 is planting time for potatoes. At any rate it was thought the acreage was going to be at a level which would produce the potatoes that might be required in the United States. I think the leader of the opposition will agree that it would put the Canadian farmer in as serious a position to have a production larger than the market could take care of, as it would to have the acreage a little below the average.

Mr. HANSON (York-Sunbury): Well, he is used to that.

Mr. GARDINER: You might run into more difficulty with the one result than the other. The opinion of officials, for what it is worth—and they are dealing with the problem all the time—is that we shall have sufficient acreage, if we have an average crop or better, to take care of the possible requirements indicated by the United States. They have not yet said they will require them, and it would not be good policy to start boosting acreage in Canada on the assumption that there may be a poor crop in the United States. But we welcome the suggestion of the United States authorities that if that does happen they will look first to Canada for their additional supplies.

Mr. HANSON (York-Sunbury): They have no other place to look. I am not raising this question in any querulous spirit. I am just suggesting that if they are looking for increased production in Canada we are too late, having taken a month to consider the position. The information I have is that the acreage is being reduced. The hon. member for Victoria-Carleton (Mr. Hatfield) who is probably one of the biggest growers of potatoes in New Brunswick, has reduced his acreage this year by nearly 50 per cent. I understand from him that that is symptomatic of the whole position. If that be so, we will have just about enough potatoes for our own market, which of course is the position I have advocated for years. Until we have a better entry into the United States market we had better not have a surplus. The minister is on solid ground in suggesting that. But if it is probable that the United States will take more of our production, then the point I am endeavouring to make is that we are late in notifying the Canadian grower.

Would the minister mind saying a word with respect to fertilizers? There is some disappointment and misunderstanding in the country on that point.

Mr. GARDINER: I wonder if the leader of the opposition would allow me to proceed in the manner he suggested at the beginning of his remarks.

Mr. HANSON (York-Sunbury): All right.

Mr. GARDINER: He suggested that I follow right through the different items; then if there are any questions to ask we can have them.

Mr. HANSON (York-Sunbury): I have finished, so far as I am concerned.

Mr. GARDINER: If that is the desire of the committee I shall deal with the different items. The first is one of $34,502 for administration, made up of salaries, $18,000; cost of living bonus, $502; printing and stationery, $4,000; telephone and telegraph, $1,000; travelling expenses, $9,000, and miscellaneous, $2,000.

The first item following administration stands in the name of the flax fibre administrator.

Mr. DOUGLAS (Weyburn): With respect to the salaries under the administration item, are those additional salaries?

Mr. GARDINER: Yes, those are additional.

Mr. DOUGLAS (Weyburn): Salaries paid to personnel engaged by the board?

Mr. GARDINER: Yes, those are in addition to the salaries paid to the regular staff. The members of the board itself are not paid any salary over and above what they get from the department.

Mr. FRASER (Peterborough West): What is the beef situation to-day? Is there any chance of relief? I ask the question because in Peterborough and adjacent towns last Saturday there was no beef or lamb to be had. Not only the storekeepers but the people generally are affected.

Mr. GARDINER: I again appeal to the committee to permit me to follow the suggestion made a few minutes ago, that I take this up item by item. I believe if that is done we can go through the list in a short time.

It will be recalled that at the beginning of the war we were asked to provide additional fibre flax in Canada. In order to avoid a difficulty experienced during the last war, when the seed went up to a very high price, we took possession of the seed and set up a fibre flax administrator under the war supplies board. That official makes provision for its distribution to increase our acreage in Canada. The remainder of it is supplied to Great Britain, to increase fibre flax supplies in the old country.

Mr. SENN: Do these administrators come under the agricultural supplies board?

Mr. GARDINER: Yes.

Mr. DOUGLAS (Weyburn): Who is the administrator?

[Mr. R. B. Hanson.]

Mr. GARDINER: The head of it is Dean Shaw. Administration costs in connection with fibre flax are placed at $22,780.

Mr. STIRLING: Does this deal with the disposal of the flax?

Mr. GARDINER: It deals largely with the disposal of the seed, and it makes arrangements under which the fibre flax itself will go to the proper places. Under this item salaries stand at $11,980; senior flax inspector, $2,400; five regional flax inspectors, $7,500; one stenographer, $1,080; cost of living bonus $1,000; printing and stationery, $500; telephone and telegraph $300; travelling expenses, $9,500, and miscellaneous, $500.

The next item is for fertilizer and pesticides.

Mr. QUELCH: What steps are being taken to utilize the straw of the flax being grown in the west? I understand it is too short to be used as fibre, but has great value as tow.

Mr. GARDINER: I am not just certain as to the value of the flax grown in the west, so far as its use for fibre is concerned. Hon. members from Saskatchewan and probably from some other parts of Canada will remember that for a long time in Saskatchewan we experimented with flax straw. A gentleman who was proficient in making a kind of twine and other materials from flax straw was engaged by the Saskatchewan government. The difficulty was that we were never able to produce it at commercial values; therefore we did not accomplish very much by way of giving assistance in the production of flax products. I do not know that the condition is different even yet. Flax in western Canada is grown in a dry climate, with the result that the fibre breaks into short lengths when handled. Those short lengths are not nearly as valuable for the making of linens or twines as are the long fibres of the fibre flax.

Mr. QUELCH: Does that apply to the irrigated areas?

Mr. GARDINER: Yes; I think the climate is the important factor, rather than that the water is made available at the roots. At least that is my information, so far as my experience goes.

Mr. SANDERSON: Flax grown in the west is not used at all in the manufacture of linens, because it is not suitable for that purpose. An entirely different seed is sown in Ontario and Quebec, where flax fibres are produced. There is no flax fibre in the west, and never was.

Mr. REID: It is being grown in the Fraser valley to make linens.

Mr. SANDERSON: I am speaking of the prairie provinces.

Mr. ROSS (Souris): It is grown in Manitoba, at Portage la Prairie.

The CHAIRMAN: Order. It has been agreed that the minister would be allowed to make his statement, and that questions would then be put, if he has not already covered the ground. I believe if we adhere to that agreement, arrived at by unanimous consent and therefore made a rule in this debate, we will make more progress.

Mr. DOUGLAS (Weyburn): No ruling has been made.

The CHAIRMAN: Yes, there was an agreement, by unanimous consent of the committee; and when there is unanimous consent of the committee it becomes a rule of the committee. It has been proposed, and no one has dissented, that the minister be allowed to make a statement, and that after that questions may be put if the minister has left any ground uncovered.

Mr. DOUGLAS (Weyburn): I suggest to the minister that if he goes over all the ground once, and then hon. members proceed to ask questions, it will take twice as long.

The CHAIRMAN: I am sorry, but that is not in order; that is my ruling. If the committee desires to appeal from my ruling, that is another matter.

Mr. COLDWELL: Mr. Chairman, no one wishes to appeal from your ruling, but I submit there was not unanimous consent.

The CHAIRMAN: There was, because no hon. member objected to the suggestion, and if no one objects it becomes unanimous consent. Therefore by unanimous consent the rule in this debate is that the minister shall have the privilege of making his statement, and will then answer questions as they arise.

Mr. DOUGLAS (Weyburn): I suggest to the minister that if he goes right through and then we begin to ask questions, it will take a long time. If at the end of each item he would pause and answer the questions, and then proceed to the next item, he would not have to come back. It could be done more expeditiously in this way than by having a general debate all over again.

Mr. GARDINER: This was not my suggestion. It came from two different quarters on the opposition side, and I proceeded in conformity with that suggestion. I am quite prepared to proceed by any method, so long as I am permitted to proceed. When I was interrupted by the hon. member for Perth I was pointing out something which I believe he expressed in better terms than I used. I was stating that the western climate is not suited to the growing of fibre flax. The farmers in different parts of Canada grow the things that they find they can grow. Because of our dry climate in western Canada we are unable to grow fibre flax. They do grow it in the eastern part of Canada, and I have no doubt that they can grow it on the Pacific coast where the climate is even moister than it is in the east.

But I had finished with fibre flax for the time being and was going on to deal with fertilizers and pesticides. We have an administration in connection with fertilizers and pesticides the cost of which is $20,397, made up as follows:

Salaries	$7,277
Printing and stationery	3,500
Telephones and telegraphs	600
Travelling expenses	8,000
Miscellaneous	1,020

The order in council appointing the administrator and setting up his organization was P.C. 398 of January 20, 1942. The administrator appointed is the chief of the inspection service of the plants products division, and his salary is paid from the estimates of that division and not out of the sum of money voted here. Only the money necessary for carrying on the actual work associated with war activities is taken out of this vote. The remainder of the cost will be found in the regular estimates of the department.

A few moments ago the leader of the opposition asked what provisions had been made for the encouragement of the use of fertilizers during the present season. We are not providing fertilizers for potatoes, for orchards or for the growing of fruits of any kind. This is part of a programme to speed up the production in Canada this year of fats and oils. We gave assistance to the planting of flax by setting a price for that product and by paying $2 per acre for land in western Canada taken out of wheat and put into flax for the purpose of getting more vegetable oils. We gave assistance in connection with the shipment of coarse grains from western to eastern Canada in order to assist in the production of live stock which would provide more animal fats. As another means of obtaining more animal fats we made provision to assist in the distribution of fertilizers in eastern Canada from Ontario east, and in British Columbia. We wanted to obtain a greater production of coarse grains in eastern

Canada and in British Columbia in order that we might have a greater production of meats and fats and dairy products.

It was not thought wise to provide assistance in connection with commodities of which we have a surplus already. For example, since the war started we have been paying out money year after year to take care of our apple crop. A year ago we had trouble in carying our potato crop, but we did not have so much difficulty this past year because there was a poor crop. However, we are not expecting to have poor crops every year. In other words, it has not been necessary to increase our production of potatoes or our production of apples or our production of most vegetables in order to get the supplies that are required in connection with our war effort. So that no assistance is being given in that direction; the assistance is being given to get coarse grains, and the fertilizers provided for must be applied to lands on which coarse grains are being grown.

Since the beginning of the war we have had a seeds administration, which costs $9,498, made up as follows:

Salaries	$4,598
Printing and stationery	600
Telephones and telegraphs	600
Travelling expenses	3,000
Miscellaneous	700

An order in council passed on January 16, 1942, authorized the appointment of a seeds administrator to regulate the distribution of field crop and garden vegetable seeds to meet present and potential needs. It will be recalled that before the war we were getting many of our garden seeds from European countries. Immediately the war started there was a blockade and it was impossible for us to obtain seeds from that source. This organization was set up to encourage the production of garden seeds in Canada, and we have experienced no difficulty in getting sufficient garden seeds to be able to carry on down to the present time.

Then we have a flour and feeds administration, at a cost of $55,000, made up as follows:

Salaries	$25,000
Printing and stationery	14,000
Travelling expenses	6,000
Miscellaneous, including telephones and telegraphs	10,000

The greater part of the activities of the feeds administrator has to do with the shipment of feed grain from the prairie west into the eastern part of Canada, and from the prairie west into British Columbia. I think hon. members are fairly familiar with the provisions of the agreement. In 1940 provision was made for the payment of a proportionate cost to those provinces which undertook to apply the policy and pay the remaining part of the cost. Ontario was the only province that undertook that policy. In 1942 we agreed to pay the entire freight from Fort William east and from Calgary and Edmonton west on feed grain shipped from the prairie provinces into other sections of Canada. Under that system all provinces have been importing feed grain from western Canada down to the present time. We have under consideration at the moment—and I say this because it is something which is of interest to farmers, particularly in eastern Canada and British Columbia—the question whether this arrangement will be renewed on the present basis. The present agreement terminates on June 30, and it will be necessary to inform business men in different parts of Canada whether or not it is expected to terminate it at the end of June. I hope to have a final decision on the question within a week, and to be able to announce what position we will be taking for the coming year with regard to the shipment of feed grains.

The next item is programmes to encourage the production of essential war supplies. It is estimated that these programmes will cost $230,000 this year. The first item is advertising, and the first item under advertising is the crop production programme for the prairie provinces for 1942. The purpose of that programme is to acquaint the prairie farmer with the government's crop production programme for 1942, which was framed according to the requirements of war conditions. This has been announced already and it was discussed quite thoroughly in the early part of the session. This advertising was put out in March and April, 1942, and the media used were the daily and weekly newspapers and the farm press circulating in western Canada, as well as posters and leaflets outlining the crop programme. The cost of that was $15,000.

Item number two is the bacon and hog programme. The purpose of this is to encourage and assist in the production of quality hogs in sufficient quantity to supply the hog products required by Britain. There was one advertisement each month, and the media were the farm papers of Canada and certain foreign news weeklies. The cost is approximately $6,000 per month. We were successful in each of the preceding years in obtaining for Britain all the bacon and ham we contracted to supply. During this present year we have contracted to supply Britain with 600 million pounds. The last reports I have indicate that we have secured—and I say secured, because it is not possible to keep shipments up with deliveries in view of conditions prevailing on the

Atlantic—we have secured for shipment to Britain in the first twenty-five weeks of the present year 52 per cent of the total required to supply that 600 million pounds. The year began with the first of October last. It has just been suggested to me by my colleague that the agreement is not limited to 600 million pounds, but is not less than 600 million pounds, and we are well on the way towards the delivery of that amount during this coming year. We are hopeful that we shall be able to deliver the amount required to fill the minimum of that contract.

Then there is the farm women's campaign. We noticed that during the first year of the war and well on into the second year we had been paying much attention to activities on the part of the men who are providing labour for farms, but not so much to acknowledge and urge greater accomplishments by women who are providing labour on the farm. Every member of the house is aware of the fact that much of the work on every farm, particularly where it is a mixed—dairy or fruit—farming operation, is carried on by women. That always has been and probably always will be so, because of their activities not only in the home itself but outside the home in carrying on some kind of dairy operations, and often poultry and other operations. We have adopted a plan to encourage and assist farm women in carrying out their task in the war, particularly in the production of food. Advertisements commenced in the late May papers, and in the June issues. Six advertisements in the series are to be released at the rate of one a month. Selected farm publications having editors of women's sections are being used. The cost of this series is estimated at $30,000 for the present year.

In December, 1941, the agricultural supplies board secured authority under order in council to place in five Canadian plants already engaged in dehydration work—one in British Columbia, two in Ontario and two in Nova Scotia—the extra equipment required in experimental processing to the new specifications, and to have those plants purchase and process for government account, under supervision of the board's representative, certain quantities of vegetables of 1941 production. Our reason for doing that was this. The British government sent an agent to Canada and to the United States in the year 1940 to inquire into the possibilities of receiving more food products in dehydrated form, the reason being obvious —that you can ship much more in a given space of dehydrated fruits and vegetables than of fruits and vegetables in their natural state. If I remember correctly, dehydrated eggs, for example, take about one-seventh the space required for shell eggs. The advantages of the dehydrated plan will be obvious in view of the shortage of shipping space caused by war conditions.

When the British agent was here first we had not developed processes which were satisfactory. The British agent went back to Britain and obtained from the records the processes that were being followed in Britain. He brought them back to this country and discussed the matter fully with the officials of the Department of Agriculture and the Department of Trade and Commerce. We developed in cooperation with them a process for dehydrating vegetables and fruits which was satisfactory to Britain, and that process is being applied now in plants across Canada. We have given assistance to the plants in putting in the kind of equipment required for this new process, and they are now operating under the plan which was evolved.

Mr. STIRLING: But you have not any orders?

Mr. GARDINER: We are sending over the commodity regularly. Under this project approximately 170 tons of beets were processed, sixty-nine tons of turnips, thirty-one tons of carrots and thirteen tons of cabbage. Considerable quantities of these dried products were placed with the Canadian defence forces for use as emergency rations, particularly in connection with coastal defence work, and as the fiscal year ended attempts were being made to interest British officials in the products. As the member for Yale suggested, British orders are not available up to the moment, but there are not sufficient products available to make shipments in shipload lots possible in view of what we are using in Canada. It is estimated that approximately $225,000 will be expended to complete this work in 1941-42, most of which should be recovered by the sale of the products made. Of the $225,000 estimated to be expended, approximately $22,000 was used to purchase for the plants special equipment, which is owned by the government.

Mr. DOUGLAS (Weyburn): What is the arrangement in that regard? Do the plants pay for it? Does the government take it over after the war?

Mr. GARDINER: The arrangement is contained in an agreement I have here, the terms of which I can read if desired. The proposal is to write off the amount at 20 per cent per year, which would mean a five-year arrangement. It is thought that some of this additional equipment will be useful later on.

The programme for 1942-43 is outlined in the order in council of May 18, 1942, for an

expenditure of $500,000. It is expected that the programme will follow the same course as in 1941-42, the output being increased by reason of the increased plant equipment.

The purchase, storage and distribution of agricultural supplies is the next item—$1,405,583. Special measures were taken to insure supplies of certain field root and garden vegetable seeds. I explained, when I was dealing with the appointment of the administrator, the plan under which that was done. Provincial seed production committees were formed in Prince Edward Island, Nova Scotia, New Brunswick, Ontario, Manitoba, and British Columbia, and the dominion and provincial governments concerned agreed to accept all seed grown on the acreage under contract of a quality equal to registered or certified seed grain. Under this arrangement more than 470 acres of various root and vegetable crops were contracted for, for seed purposes, in 1940. These measures were continued in 1941, and we propose to continue them further in 1942. Under these measures we have produced bean seed, also seed for potato, cabbage, cauliflower, cucumber, lettuce, onion, tomato, mangel and other vegetables.

Among the other potential amounts required is the sum of $1,000,000 under the heading of purchase, storage and distribution of agricultural supplies, to provide for unseen contingencies in the field of agricultural supplies. An example of what might be needed was the necessity during 1939, 1940 and 1941 of purchasing and distributing fibre flax seed surplus to growers' immediate needs.

That, I think, takes us down to assistance in the disposal of agricultural products rendered surplus by the war—the item specially mentioned, I believe, by the hon. member for Weyburn as well as by the leader of the opposition.

The first item mentioned by the leader of the opposition was assistance in apple marketing. In explanation of what has happened in the maritime provinces, in British Columbia, and to some extent in Ontario, I should say that the 1941 apple crop was smaller than that of 1940. It will be recalled that I stated here last session that in the first year of the war the British government were not desirous of taking any apples from Canada. Up to that time they had been taking 50 per cent of our crop. That required 80 per cent of the maritime province crop, about 50 per cent of the crop from British Columbia, but very little of the crop of Ontario, with the result that about 50 per cent of the apple crop was going to the British market. When war was declared Britain said that she did not wish to have any apples, because they took up too much shipping space and had little food value compared with other foodstuffs. Finally however they agreed to take half the quantity of the preceding year. They did not desire to take any of the 1940 crop. Fortunately we did not have in that year as large a crop, and our difficulties in disposing of it were not quite as great. In 1941 again we entered into an arrangement under which the British government took part of the crop from Canada, and we had to take care of the remainder of it in this country. The 1941 apple crop was smaller than that of 1940, but since, early in the season, there was no indication that Britain would take fresh apples, arrangements were made to assist in the marketing of the Nova Scotia and British Columbia crop. In September, 1941, the British Ministry of Food decided to take 1,200,000 boxes and 110,000 barrels of Canadian apples in the fresh state. Owing to the export of these apples from British Columbia, Nova Scotia and to a lesser extent from Ontario, Ontario apple growers did not require any dominion assistance. They sold their apples at, as has been said, good prices in the central part of Canada. We had agreements with British Columbia. I do not know that the committee will want me to go into the details of those agreements. In 1941 we had no agreement with Ontario, but we did have an agreement with Nova Scotia. The agreement with New Brunswick involved 4,600,000 boxes; in Nova Scotia it involved 1,500,000 barrels. The total expenditures during the year ended March 31, 1942, were as follows: In relation to British Columbia apples, further expenditures under the 1940-41 agreement were $181,810.04; under the 1941-42 agreement, $311,230.68. In Ontario the expenditure for 1940-41 was very small, only $3,819.10. In Nova Scotia, further expenditures under the 1940-41 agreement which had to be made in the succeeding year were $124,961.24; under the 1941-42 agreement, $1,649,160.92. Further expenditures under this latter agreement will have to be made.

An agreement has already been concluded with Nova Scotia somewhat along the lines of the previous agreements for the crop of 1942. We shall have negotiations with Ontario with regard to their position. An agreement is under discussion with British Columbia but has not yet been made.

Mr. SENN: Were these net figures of expenditures on apples?

Mr. GARDINER: Yes. These are the net figures which have been paid out under the similar vote in the preceding years, and this vote which is set up now will be applied to similar purposes.

Mr. SENN: After the evaporated fruit and other products have been disposed of?

Mr. GARDINER: Yes. I think that is correct, but I will make sure.

Mr. CRUICKSHANK: I do not know whether I am in order. Am I to understand that I must follow through the board administration, and so on down the line, and ask the minister any questions in that order?

Mr. GARDINER: I do not think it is necessary to follow through item by item. That completes everything down to assistance in the disposal of agricultural products rendered surplus by the war. I think it would be just as well if we stopped there and had any questions which hon. members may wish to ask. The items below that are: bacon board, dairy products board, special products board, freight assistance on western feed grain, and fertilizer assistance. These are special items which I think we can discuss by themselves, and it might be better to deal with each of them separately rather than try to give an outline of them all.

Mr. CRUICKSHANK: That is the reason I am asking the question. Naturally, coming from a British Columbia rural district, I am more particularly interested in the dairy products board, but I do not know whether I am in order in asking any questions at this time. There have been so many rulings.

Mr. GARDINER: I suggest that we take the last five items one by one, and if there are any questions on what I have been discussing, they can be asked now. We will take the bacon board next, and then the dairy board, and have questions on each one.

Mr. SENN: Under this item of assistance in the disposal of agricultural products, the minister mentioned only one article, and that was apples. It does not seem possible that all this money would be taken up with the disposal of the surplus apple crop. Are there not some other items for which assistance is needed as well?

Mr. GARDINER: That is the product which has had practically all the assistance that has been given in the way of amounts paid out of this sum this year. The amount which will be required for dealing with the situation during this coming year will not, of course, total the full amount of this sum, which is $3,700,000. In round figures the amount which we have used in connection with apples during the last number of years has been about $2,000,000. The figures which I have given, it will be noted, are not complete. The sums paid out during the last financial year partly had to do with the preceding financial year, and partly related to the last financial year, but the figures are not complete as at the end of the last financial year. Speaking from memory, the total amount spent on apples has been a little over $2,000,000.

Mr. STIRLING: With regard to this assistance which has been given, I think, the way it is put, it surely means that the government early realized that that was a war casualty.

Mr. GARDINER: Yes.

Mr. STIRLING: That was the reason. The export was suddenly cut off; the producers of apples in the three provinces mentioned were without a very considerable slice of their market; it had to be replaced, and the dominion government recognized that fact. I have a question to ask with regard to the preceding item, having to do with assistance in dehydration to try to meet the British demand. I think I am right in saying that in the last war Great Britain had a pretty disappointing experience with the quality of the dehydrated products.

In order to overcome that difficulty the government established certain experimental works in five factories for the purpose of endeavouring to reach the high standard of dehydration which Great Britain demanded. Some of these experiments were carried on in my neighbourhood and I know how successful the result has been as far as it has gone; and the assistance given by the department has been I think very greatly appreciated by the industry. But the difficulty comes in with regard to what happens next. Two months ago the manager of that industry was in touch with me in an endeavour to find out what prospect there would be of marketing if he went ahead and grew vegetables himself and advised those who usually deal with him to grow vegetables, for the purpose of marketing the stuff under the agreement with Great Britain. I was not able to obtain any information with regard to the prospect of that marketing. Can the minister say anything about the difficulty which lies ahead? Obviously dehydration plants will not proceed to induce farmers to grow if they do not see ahead to the marketing of the product. For war purposes these dehydration products are wanted for the supply of Britain for the forces, and for our Canadian forces as well, and world markets are not open to them.

Mr. GARDINER: The objective of the department so far has been merely to conduct this as an experimental undertaking.

Mr. STIRLING: To demonstrate that it can be done.

Mr. GARDINER: To demonstrate the usefulness of the process by which dehydration is to be carried out. The hon. member is correct in stating that the experiences of the last war are still in the minds of the British government and of the Canadian government. An effort is being made to evolve a process that will satisfactorily dehydrate fruit and vegetables and place them over in Britain in proper shape. I think both the British government and the dominion government are well satisfied with the experiments that have been carried on this year, and as the hon. member has stated, those in his area are well satisfied. We think it will be a success. The amount of money provided this year is about double what was provided last year, but we do not intend to increase the output beyond what we have the means of disposing of at the moment. We can of course dispose of as much, with the Canadian forces, as we did last year and probably considerably more, but on the other hand if it is required in Great Britain, if the whole quantity is needed there, we can ship it and use fresh vegetables on this side. So that whatever happens in connection with it, I do not think there is much possibility of anyone taking a loss from the experiment. The experiment is worth carrying out in war time because of its usefulness at all times.

Mr. HATFIELD: In accordance with the order in council of May 18, $50,000 was set aside for equipment assistance in dehydration plants. Will that be used to place equipment in new plants? Potatoes are the chief commodity, 75 per cent being dehydrated, and there are no plants in the surplus producing counties at the present time. I should like to know whether any of this money will be used to assist new plants in the potato producing provinces such as Prince Edward Island and New Brunswick.

Mr. GARDINER: The intention is of course to make the fullest possible use of the plants that have already been provided with special equipment, and it is hoped that we may be able to extend the activities this year to take in some other areas not covered by the plants last year. But I should not like to go on record with regard to the places at which they will be established, though I am quite sure they will be established to meet areas that have not already been provided with plants, at any time that new plants are put in.

Mr. HATFIELD: It is not feasible to dehydrate potatoes in plants which are not located in potato producing centres, because you are only shipping 90 per cent water to the plants.

[Mr. Stirling.]

Mr. NOSEWORTHY: Where are Prince Edward Island potatoes to be dehydrated?

Mr. GARDINER: The only plant that is being operated at the moment to which they would likely be shipped is in Nova Scotia, but that is because there was a plant there to which equipment has been added.

Mr. BLAIR: I should like to know something in regard to the evaporating of eggs. Have we any hope of getting an export freight rate for crates going to the evaporating plants? We get an export freight rate from the plant to seaboard, but we pay domestic freight rates from our towns to the evaporating plants. On the American side they have an export freight rate from the towns to the evaporating plants—in some of the states, not all. I thought perhaps we might be able to secure that in Canada. We have our plants a considerable distance from egg centres and it costs 52 cents to ship the crate, 11 cents to return the crate, and a charge of 3 cents for the revamping of the crate. What price is given to the evaporated eggs when they are dried? I should like to know what assistance is given to the evaporating plants, such as Swifts of Toronto.

Mr. GARDINER: I have not the agreement with me. It has been finally drafted within the last few days and I am not in a position at the moment to give the details of it.

Mr. BLAIR: Perhaps at another time.

Mr. GARDINER: The only agreement which so far has been finally drawn is the agreement with the plant that is being enlarged at Winnipeg, and that is to be made the basis of other agreements that are entered into with other plants across Canada. I regret however that I have not the details with me. With regard to freight rates, there is quite a difference between freight arrangements in the United States and those in Canada. As every hon. member knows, our rates are pretty much under the control of the transport board and have to be referred to them from time to time as changes are requested. I cannot give any information in that regard.

Mr. REID: I should like to ask the minister a question regarding the freight assistance to the western and eastern provinces. The minister pointed out that he was considering, or some board was, the advisability of continuing that policy. If the freight assistance is discontinued it will greatly affect farmers in the Fraser valley. There is no doubt that the assistance given on mill feeds and

grains has enabled them to carry on, and I strongly urge upon the minister that he continue that policy.

I am not sure whether the price of butter and cheese comes under the minister's department—perhaps it is under the Minister of Finance; that is one of those confusing things. But the price of thirty-five cents set for butter and fifty cents for cheese has reacted on the price of milk and is driving the farmers of the Fraser valley out of business. I am not going to deal with that now because it will come later—

Mr. HANSON (York-Sunbury): There is no set price of fifty cents on cheese.

Mr. REID: For butter it has been set at thirty-five cents, and fifty cents is the equivalent for cheese. That has brought about a situation in Canada under which, according to the figures I have, this year we are already short something like 5,000,000 pounds of butter. In 1941 the consumption was 369,413,809 pounds. From January to April this year we produced 48,803,071 pounds. At the end of April we are 4,485,990 pounds short as compared with 1941. The minister of agriculture for British Columbia, speaking at a meeting a short time ago, said it was unfair that the dairymen should be required to carry such a load of sacrifice as they were carrying at present under shrinking incomes and rising costs. That I think bears out what I was saying a moment ago, that if freight assistance is not continued and no subsidy is given to the farmers, and the price of butter is kept at thirty-five cents, it will mean that the farmers will very largely go out of business, except those who are fairly well established or have considerable bank accounts.

I want to ask the minister what assistance has been given regarding flax. He mentioned five regional officers. I should like to know if one has been appointed for British Columbia, and what assistance is being given. British Columbia this year has contributed $3,000 to a cooperative organization of farmers who are endeavouring to produce a crop of flax. I am not giving it as my opinion, but it is the opinion of experts that they can grow excellent flax for linen in the Fraser valley.

I noticed the other day that Great Britain is sending one of her outstanding agricultural experts to this country, to be attached to the office of the high commissioner. It was stated that his duties in Canada would be to promote the growing of food crops required by the people of Great Britain. I am not questioning his coming here; that is Great Britain's policy, but I am wondering where he will fit into the Department of Agriculture if his purpose is to promote among Canadian farmers the growing of crops for feeding Great Britain.

I ask the minister not to drop the freight assistance given the farmers of British Columbia on mill feeds and grain.

Mr. GARDINER: I am sorry I have not the names of the inspectors under the flax provisions, nor have I their addresses. I shall have that here when my regular estimates are under consideration, and if the hon. member will be satisfied to ask his question then I shall be glad to give it.

Mr. PERLEY: Will the minister state the regions?

Mr. GARDINER: There is one senior inspector and five regional inspectors. I am not in a position to give the exact regions at the moment.

Mr. REID: Is there one for British Columbia?

Mr. GARDINER: I imagine one will be there from time to time.

Mr. PERLEY: Will the regions correspond with the provinces?

Mr. GARDINER: It is unlikely that there would be a fibre flax man in the prairie provinces, because we do not grow fibre flax there. I presume they will be chiefly in eastern Canada and British Columbia.

As to the British representative, I may say that Doctor A. Scott Watson—I presume it is he who is referred to—arrived in Halifax from Britain two or three days ago. He did not go first to Washington but came direct to Ottawa and spent part of the day before yesterday and yesterday here. He may be in Ottawa still. When he arrived he naturally came to the Department of Agriculture. I take it his mission in Canada and the United States is to make known in these countries what Britain finds it possible to produce and how much of the different products that she requires during the war period we in Canada and the United States will be able to supply. I do not think there will be any difficulty in coordinating the work of the British representative with the departments of agriculture in Canada and the United States. It is simply a matter of getting first-hand knowledge of British conditions, placing that information before us and finding out what we can do in order to make up the shortage in Britain of those different products. He will of course acquaint his government with the facts, and if the total is not made up they may adjust

their agriculture in Britain to try to produce more of certain things and less of others in order to fit in with our situation. I think that is the real object of his visit.

With regard to butter I think all who are familiar with dairy production in Canada agree that if we desire to increase production over that of last year the present price will not bring about that increase. There is some doubt in the minds of some whether the present price will produce even the quantity we had last year. The difference of opinion is based on certain facts. We have been in the habit in Canada of thinking that the greater part of the butter we produce, I think about five-sixths, must be produced in the summer months. During all the years we have been producing butter, we have been producing a very considerable part of it in the summer months, and we have had the idea that we can produce butter to good advantage only in the summer months. The result has been that a very considerable storage from the months of May and June is carried over into the winter months in order to keep up our supplies in those winter months.

Last year we had an experience which some people argue disproves our experience of the past. Last summer we had a price for cheese of 16 cents a pound, plus the premium paid by the federal government and subsidies paid by the provincial governments. That brought the price up to between 19 and 20 cents a pound. Under that plan we secured enough cheese to supply the British contract during the summer months, but we had nothing left for the home market. I think members of the committee who are familiar with the facts will agree that it was always thought to be more difficult in the winter months to produce cheese than to produce butter. Last summer cheese was selling on the market at, I believe, about 37 cents a pound. When the wartime prices and trade board established their ceiling prices last fall, that price was not acknowledged as the ceiling price, although cheese sold as high as about 37 cents a pound. The reason given for its not being acknowledged was that that was cured cheese, carried over from a preceding year, and sold at a very high price because of the shortage on this market brought about by the taking of all the cheese off the Canadian market last summer.

The point I wish to emphasize is that, with the facts before us last fall, after discussions between the prices board and the Department of Agriculture it was arranged to set a ceiling price on cheese of 25 cents a pound for the winter months, and our cheese production in Canada increased by leaps and bounds during the winter months. I have not the exact figures before me, but I shall have them later, when we are discussing the regular estimates. I should have had them this afternoon. However, there has been a remarkable increase in cheese production during the winter months. It goes without saying that the cheese will probably be not quite as good as the cheese produced in the summer months, off the grass. Nevertheless it is a very acceptable food product.

With that experience behind us some people are inclined to argue that we can have a ceiling price on butter of 35 cents during the summer months. I should like to say at this point that that is not a declining price. It is scarcely correct to say that we have had a declining return from farm products, and an increased cost; because, after all, the floor price for butter last year was 29½ cents in May, 30 cents in June, and I believe in October it was 32 cents. While the price did not drop down to the floor, it was not quite as high as it has been during the early summer months of this year. The price has been hovering round 34 or 35 cents in May of this year, and I presume it will continue at about that level throughout the month of June. The argument of some is that we should start our increase in prices this year along about the month of September or October, and continuing on through the winter. It is suggested that instead of carrying so much butter in storage from the summer months until the winter, we might go into production of butter during the winter months, which would take care of our needs next winter. There are some agricultural experts who do not agree that we will get that result to the extent we hope to get it. But I am repeating to the committee the strongest argument I have heard from those who take the opposite position. The price as set at the moment is set by the wartime prices and trade board, and the Department of Agriculture is cooperating as far as possible to keep production as high as we can during the summer months. We are hopeful that if no change is made we can go on during the winter months and get greater production in the winter time. That again is an experiment with respect to which no one can exactly foretell the results.

If the argument put forth by the representatives of the prices board does not materialize, then we shall know that we have been wrong in taking that particular position this year in connection with butter, and probably will have to evolve some different plan for a

succeeding year. We may find as we go along that some other action has to be taken even this year in order to make sure of our supplies —some action which will give further returns. At the moment, however, those who are arguing for the policy being followed take the position that they do not believe that will be necessary, and that we can take care of the situation.

Mr. RICKARD: Before the minister leaves this subject may I say, with respect to the apple industry, that I am sure the growers appreciate what the government has done for them in the past two or three years. I understood the minister to say that there was only one dehydration plant in Canada, and that it was situated in Nova Scotia.

Mr. GARDINER: No, I thought I said we had five; but I believe the only one available to Prince Edward Island is in Nova Scotia.

Mr. RICKARD: In the counties of Northumberland and Durham, I believe there are as many good apples grown as in any other part of Ontario. We are anxious to have a plant established in that district; and if it would be possible for the minister to consider that matter, it would be greatly appreciated. I do not believe there is one within a reasonable distance in that part of the province.

Mr. ROWE: Mr. Chairman, listening to the minister say that what has been done may be wrong, and that we are more or less trying an experiment, it occurs to me that the agricultural war policy of the government has been pretty much one of experiment, trial and error since the war began. That has been the condition from the time we endeavoured to fix the price on bacon. There have been the fixing of winter prices in summer time, the fixing of summer prices in winter time, and a terrific effort to keep prices down.

I recognize the merit in the general principle the government is endeavouring to follow in connection with the price-ceiling policy, but it appears to me that it is almost impossible to carry it out properly. I believe it will prove to be merely an experiment to fix prices on agricultural products, without fixing farmers' costs. The farmer to-day is paying 50 per cent; yes, in many districts he is paying 100 per cent more wages than he paid prior to the war. I suggest there is within sound of my voice no hon. member representing an agricultural constituency who does not know that that is the condition. There have also been great increases in feed costs.

It is true that the government is experimenting with a price-ceiling policy to avoid inflation in general industry. But those who are associated with industry know very well that wages were fixed. I say in all fairness to the labouring man that some effort should be made to keep his living costs at as low a point as possible. It will be remembered, however, that there is a cost of living bonus, and that wages were frozen and a cost of living bonus added in proportion to the change in the quarterly index. No such situation prevails with respect to agriculture. No wonder it has been said so often that the farmer is the forgotten man of this country. I do not blame the Minister of Agriculture alone for the somewhat economic tanglefoot in which he finds himself, because no doubt he is simply trying to coordinate his policies and efforts with the government's general policy to which I am taking exception at this point.

If we are going to increase agricultural production all along the line, the production of those products that require the most man hours of toil, such as foodstuffs, animal fats, butter, dairy products, meats and so forth, the products which cannot be handled by mass production methods, with the use of heavy machinery, but products which require constant attention in the winter months as well as in the summer months, we must leave some of the old element of chance for a reasonable period to the farmer. He has been living by chance almost since confederation as far as his prices are concerned. Hon. members know that a farmer must be something of a gambler. He must risk weather conditions, whether it will be too wet as it has been the last few days or whether it will be too dry, whether the prices he receives for the products he hopes to produce will pay for the seed, whether he will get less for the one or two offsprings of an animal than he has paid for the breeding animal. He has been forced to take these chances. For ten years the farmers, especially those who produce mixed farm products, have borne the brunt of our economic depression. In depression they were not protected by a floor, in prosperity they are hindered by a ceiling.

These men have not received much in the way of subsidy. For ten years they received only about fifty per cent of what they received in the more normal past for their products. They found it almost impossible to carry on. When war broke out they were appealed to by all of us to produce more. At one time the Minister of Agriculture told them that we did not need more bacon, that the price would be fixed at $9 per 100 pounds in order to keep the price down. When the war started, wages paid to the labouring men in industry were

fixed, or frozen if you like, but in addition they are paid a cost of living bonus. One result of these higher wages has been that the boy who was working on the farm went to the factory. To-day the farmer must pay practically double the wages he paid in 1939, and there is no cost of living bonus.

Farmers are finding it almost impossible to get help and equally impossible to hold the help once they get it. There is nothing to hinder a neighbour from climbing the line fence and saying to a farm labourer—I know of instances of this—"You are doing a good job ploughing; how much are you getting?" The man might reply, "$55 and my board." "All right, come down the line and I will give you $60; my credit is a little better; where are you from?" "Saskatchewan." "The last man was from there and I understand he did not get his money." That is what happens. The man goes down to the next place, and the man on the next farm does the same thing.

Mr. DOUGLAS (Weyburn): They are used to not getting their money in Saskatchewan.

Mr. ROWE: I do not want to reflect upon Saskatchewan. Many healthy fellows come from there. I have given much thought as has every person who has had anything to do with agriculture, to this matter of farm labour. Whether it be popular or unpopular I want to say that I do not believe in this price freezing of farm products, in setting price ceilings. I do not think it can be applied to agricultural production with success, even as a war time measure.

We are freezing the wages paid to our labouring men and giving them a cost of living bonus as well. Why are we paying a cost of living bonus? We are paying this to protect the labouring men against a rise in the cost of primary products, against rise in the cost of foodstuffs. When the Minister of Agriculture is fixing the price of butter at thirty seven cents a pound he does not know whether I shall have to pay $5 a day for labour, or whether the hon. member for Haldimand (Mr. Senn) will have to pay $6 a day because he happens to be nearer to a factory. When men are able to go home and still work in a factory, the factory offers strong competition for farm labour. The farmer is not only unable to get sufficient help, but must pay a wage rate twice what it was in 1939.

I am not for one moment claiming that these men are getting more than they should. Even now they are not getting as much as the man with similar ability and initiative is being paid in industry. I have always felt that we shall never have a well organized prosperity in this country until the farm labourer is placed on an equality with the industrial labourer. The farm labourer is entitled to a fair price for his toil. He should not be asked to work longer hours for shorter pay. I hope the day is coming when the farmer will receive the same for eight hours labour on the farm as is paid to the industrial worker for eight hours labour in the factory. The farm labourer has not reached that point even though he may be receiving twice as much as he received before the government tried in the summer time to fix the winter-time prices of the commodities produced by the farmer.

It is all very well to tell the farmer that he is a great fellow, that he is the backbone of the country, that what he does is just as important as what the soldier in the front line is doing. I know however, that the boy on the farm cannot satisfy his own conscience and feel that he is writing as much on the pages of history when he is standing behind a plough as his brother behind a machine gun. I cannot convince myself that the boy on the farm is as proud and as satisfied with the service he is giving, even though he may be keeping a widowed mother. He feels that service overseas, while more dangerous, is more glorious.

If we are to produce to the limit from the great agricultural resources of this dominion, this government must stop, look and listen. It must realize what is happening. Thousands of acres in western Ontario, thousands of acres in Simcoe county, thousands of acres in Dufferin county, thousands of acres in the county of the Postmaster General, York county, are idle to-day. They are idle because of the uncertainty as to what is to be paid for the products which can be raised on the farm. Ceilings are being placed upon what the farmer has to sell, and floors are being placed on what he has to buy. That is not sound economy. It will retard the production that we should be developing.

It is all very well to read a bulletin and say that we have produced much more this year than we did last year; it is all very well to say that we are getting higher prices, but I do not hear anyone say that the farmer is forced to pay twice as much in wages. I do not hear the Minister of Labour assuring us that these wages will be fixed for next year and that a cost of living bonus will be provided. I cannot hear anyone assuring me as to what I shall have to pay for harvest labour.

I am doubtful about the whole price-ceiling scheme and its effect upon our economic picture. The old law of supply and demand should

be given more freedom, and it must be given more freedom if we are to meet the demand by an accelerated supply. The farmer is the forgotten man and has been placed in a most ridiculous position. The government praises him for his loyalty and coaxes him to produce for less; it tells him that his products are as important as bullets, and at the same time it tells him that it is going to put a ceiling on what he has to sell and a floor on what he has to buy. The government will not tell him what he will get next year for his products, but it gives him soya beans to sow and tells him that he will not get more than $1.95 a bushel.

Mr. GARDINER: We guarantee him $1.95.

Mr. ROWE: It is all very well to talk about where prices went in the last war. I am of opinion that the rise in prices which occurred in the last war had more to do with keeping our troops from starving than any other single thing. Not only the soldiers but the whole of Europe will be pleading for foodstuffs. I realize, of course, the shortage of shipping, but after the war, all of Europe will be needing our foodstuffs.

At the present time we are giving the farmer only about 20 to 25 per cent more for his butter than he received when he was paying 100 per cent less in wages, and yet when he goes into town he is told he had better eat one piece of butter instead of two. The same is true of agricultural prices all down the line.

With reference to bacon production—let me say incidentally that I have not eaten a pound of bacon in the last two months, thinking it was loyal to refrain—I am to-day producing bacon for only about 25 per cent more than I got when I was paying 100 per cent less in wages. In this connection I would urge the minister to raise the weight of hogs fifty pounds each. Let the farmers produce, not a 185-pound hog, but a 225-pound hog as we did in the last war.

Mr. GARDINER: That is what they are now, 185 pounds dressed, 225 pounds on foot.

Mr. ROWE: Make it 225 pounds dressed. May I say that I was docked one dollar the other day because my hogs were one pound overweight. These long, stream-lined, white Yorkshire hogs that we were urged to raise so that our bacon could compete on the British breakfast table with the lean bacon from Denmark, so that the girl who was tripping off to her office and wanted to keep her girlish figure would not have to eat too much fat, is not the size of hog we should be raising to-day. What we want now is more fats and more oils and more bulk. These long, thin hogs can carry fifty pounds more weight, and the boys overseas and the starving people over there would rather have their bacon with a little fat on it than half as much pork with no fat at all. It is true that Denmark is now out of the picture. We might have to revert to the better grades to meet post-war competition, but what is wanted to-day is foodstuffs for an emergency, fats for a crisis, not stream-lined bacon for the woman who is working only a few hours a day.

Mr. HANSON (York-Sunbury): And who is thinking of a fashionable figure.

Mr. ROWE: Exactly. I urge the minister to set aside for the time being these restrictive regulations which have only proved unprofitable and confusing to the farmer, and let him produce a hog weighing fifty more pounds. That would increase our production by hundreds of millions of pounds.

I urge the minister and his government to give consideration to the position in which agriculture in this country finds itself to-day. It has never been so confusing to the farmer. Never has there been so much uncertainty ahead of him, and never has he had a more important task to perform. Particularly do I urge this upon the minister now that the farmer has to pay 100 per cent more in wages and there is a ceiling on his products. What we should be doing is to put a floor on his products. Try giving him a fair price rather than a fixed price. I am not suggesting that our farmers want bacon to go up to $26 per 100 pounds or butter to 90 cents a pound or eggs to $1 a dozen. I know that within two miles of my home a farmer sold 100 good laying hens last winter because he would not produce eggs in winter at summer-time prices. He started in the business with the intention of having 2,000 or 3,000 hens, and he sold when he had 800 hens. Another neighbour with 300 hens sold all but fifty for the same reason. I said to one of these men, "Why don't you wait? The government is struggling with price ceilings, and there will be a demand for eggs. They are needed for war purposes." But he replied, "It is all too uncertain. If the government is going to fix a price where there is practically no profit in it for us, and adopt that as a policy, when we do not know what we shall have to pay in wages for help which I shall have to hire because our boys are gone to the war, I am better off without the hens." That is the position of agriculture all along the line. The government has no agricultural policy. I realize that they are confused, that they are trying to get out of a crisis, that they are trying to coordinate agricultural production with this novel price-ceiling policy. I realize the difficulties involved; but

I would say, in conclusion, that you cannot fix a price ceiling on what an industry has to sell and a floor price only on what it has to buy.

Mr. CRUICKSHANK: I want to congratulate the previous speaker. It is the first time I have really agreed with him in this house. I do not think that is an unfair remark. We are on opposite sides of politics, but his was a good speech all round.

Mr. MacNICOL: You are fair.

Mr. CRUICKSHANK: I try to be, and I try to pick up information as I go along. I have often wondered what the streamlined type was, but after hearing the hon. member for Dufferin-Simcoe, I know now that it is a hog from Toronto.

The Minister of Agriculture said some time ago that farm labour came under the Minister of Labour and that the wartime prices and trade board came under the Minister of Finance. I want to quote what the Minister of Finance said as reported at page 2909 of *Hansard*. Among other things he said:

> The subsidy was discontinued on May 1st, because effective on that date the board established a new scale of maximum milk prices and made provision for other adjustments in milk production practices, so that adequate prices may be paid to producers to enable them to continue production.

The Minister of Agriculture says that we must go to the Minister of Labour in connection with hours of labour, and that we must go to the Minister of Finance in connection with the wartime prices and trade board. I do not know how we can approach this question except through our Minister of Agriculture. We who come from agricultural ridings look to the Minister of Agriculture to do that very thing for us. I am inclined to agree with the last speaker; I have no more desire than anybody else to see inflation, but I think it is obvious that the last man to be hurt in Canada or in any other country by inflation is the farmer.

I consider it to be the duty of the Minister of Agriculture, on behalf of and representing a rural riding, to see that it is brought home to the Minister of Labour and the Minister of Finance that we simply cannot continue to exist under the present financial and labour set-up. In British Columbia for the past two months dairy cattle have been disposed of at the average rate of a sale and a half a day. These dairy cattle, the finest we have in Canada, are being slaughtered for beef purposes because we cannot get milkers and other labour. I am not contending that farm labourers receive too much. Nor can one blame any farmer's son or other working men for taking advantage of the high rates of wages in war industries. To my way of thinking, however, the Department of Agriculture should formulate some scheme, either of bonusing farm labour or seeing to it that the wartime prices and trade board allows us a sufficient price for farm produce to permit of our paying adequate wages to keep the men on the farms. It is not at all to the credit of one of the greatest agricultural countries in the world that our dairy cattle are being slaughtered for beef at the present time, and I think it is a condition which could easily be overcome—though here my hon. friends to the left will probably claim all the credit for the suggestion—by a little planned economy. Surely we can plan ahead a little bit. If we had adopted some system of planning our labour supply a few years ago, we would not have the condition that is existing on the farms to-day.

However, I am not quarrelling about that, but I am definitely objecting to what in my opinion has happened as regards setting the price of milk. It has been set on a cheese basis. I do not know the reason for that, but I venture the statement that no practical dairyman, unless he is also in the cheese business, is sitting on any of the wartime prices boards. It is obvious that if it is made so much more advantageous to produce cheese, there is going to be a reduction in our other dairy products. In the Fraser valley, where I come from 75 per cent of our milk is marketed throughout the largest cooperative dairy association in Canada. I am not exaggerating; the minister knows it is true. He may not know that there are only two larger dairy cooperatives on the north American continent. It is a very large organization. We sell on consignment 75 per cent of the milk produced in the Fraser valley, which practically means it is the milkshed of British Columbia. Of that, only 25 per cent goes on to the fluid market. Anyone who knows anything about dairying knows that his money comes from the fluid market. The wartime prices and trade board were going to permit us in Vancouver to increase the retail price of our milk one cent, on the 1st of May. Our settling rate was fifty cents a pound butterfat. If we took advantage of that, the price would be approximately sixty cents a pound butterfat; but if you follow it through, although we handle 75 per cent of the milk, only 25 per cent of it is fluid milk. We stand to gain two cents a pound butterfat as regards the 75 per cent of total production; but our competitors, who market 75 per cent of their

25 per cent on the fluid market, will gain seven and a half cents. I do not think the minister's department intended anything like that.

In my opinion, the sooner agriculture gets back under the Department of Agriculture and away from some of these wartime boards, the better for agriculture. I believe the minister will be fair enough to admit that he has not any more control over agriculture in the Dominion of Canada to-day than I, as a private member, have. Some dollar-a-year man or some such other unnecessary "critter" on these boards controls the price the farmer is to get. The minister cannot deny that.

Mr. GARDINER: Not while the hon. member is speaking.

Mr. CRUICKSHANK: I am not depreciating the minister's value, because I can say—and this is one way to say it safely and keep the friendship of my friends,—that there is only one other man in the House of Commons who I believe is capable of filling his shoes, and I am not going to say who that is.

Mr. DOUGLAS (Weyburn): The hon. member is too modest.

Mr. CRUICKSHANK: There will be plenty of applications; I know that. I am not going any further into the labour problem, but I believe the fact has been overlooked that everything the farmer uses and must use in his normal production has increased in price to a great extent, in some instances by 100 per cent. Take one so-called tool of the farmer, with the use of which some of these legal-minded farmers are probably not very familiar, at any rate since their youth—the manure fork. At the beginning of the war it cost $1.15; now it costs $1.95. But the price of milk and other products has not risen correspondingly. Potatoes rotted in the pits in British Columbia this year. I know it is very easy to criticize and to declare what the minister should do and what he should not do. But there is one suggestion I might make as far as my own province is concerned, and I think it affects parts of Ontario, certainly the city of Ottawa. On any street here where there is an apartment building you will find ten or fifteen or sometimes twenty milk trucks or carts delivering milk and cream to that building. There is one place that the minister might act, if he has any control over this agricultural set-up. At least he could write a letter to one of these boards and tell them to do something. They could dispense with many of these trucks by some system of consolidation of deliveries.

Mr. JACKMAN: Some of the dollar-a-year men are doing that now.

Mr. CRUICKSHANK: Well, as usual, and as I have heard from my hon. friends on the left, they are doing it at the rate at which we are accused of carrying on the war effort; they are extremely slow about it. There is no question about that. I am afraid that the hon. member who has just spoken is never up early enough in the morning, unless he is going home, to know what is going on. If he would come around to-morrow morning I could show him places in the city of Ottawa where there are ten trucks delivering at one apartment building. That could be avoided by a system of consolidated deliveries of milk and other products.

There is another way in which I think we could assist the dairyman; it was touched on briefly by the hon. member for New Westminster. I am glad to hear the minister say that it is under consideration, and I am going to take it for granted that it is as good as accomplished, because when the minister puts his mind to anything he generally gets his own way.

Mr. HANSON (York-Sunbury): He is having an awful struggle now with Mr. Gordon.

Mr. CRUICKSHANK: To continue this freight rate system will assist the dairymen considerably. It would also assist us in connection with our dairy production if the minister would see to it that the rural ridings get a fair deal on this system of gasoline rationing. I know it is not his branch, but as a rural member I deem it my duty to look to my Minister of Agriculture. He is the king-pin in the agricultural industry in so far as this parliament is concerned, and it should be his privilege as well as his duty to represent us in every way. As regards gasoline, the first man the wartime prices and trade board picked on was the farmer. They allowed the brewery salesman to go round with category C, but the farmer, whether handling dairy products or nursery stock or any other line, gets only category A. Probably hon. members do not know that. I think a considerable saving could be effected along that line.

Mr. HANSON (York-Sunbury): The brewery industry has a dollar-a-year representative here.

Mr. CRUICKSHANK: I think he comes from the maritimes too.

Mr. HANSON (York-Sunbury): Oh, no!

Mr. CRUICKSHANK: There is another matter I would bring to the attention of the minister because I have received a letter in connection with it. I think the minister will admit that it must be hard on the farmer in the Fraser valley, working from five o'clock in the morning to half-past eight at night, to obtain, as this particular man did last month, 100 pounds of 4 per cent milk. A good many members here will say, "I was brought up on a farm and I love the land." Yes, but as soon as they get an opportunity to move away from the land they take advantage of it. I wonder how many members know how much milking one has to do to get 100 pounds of 4 per cent milk, and then he gets exactly $1.66 net for it on the farm. Is it any wonder that these people write to me or even borrow the money to pay for a telegram. In these days of speedy travel they can get newspaper pictures out west very quickly. Four days ago there appeared in the newspapers the picture of a handsome young man. He was really a fine looking fellow; indeed, I thought he was a moving-picture actor. As I say, he was young too. Well, to my surprise he was not overseas, under the splendid selective draft system which we have. No; he was an artist. Will anyone tell me, when there is a war on, and farmers are getting $1.66 for 100 pounds of 4 per cent milk, what on earth we need an artist for in the department? It does not make sense. I suggest this is one direction in which economy could be effected. Why do we want an artist working in connection with entomology; we have enough bugs without this man. If it is the intention of the department to let the dairy industry in the Fraser valley fall by the wayside, very well; they are proceeding in the right way. If, however, they want to maintain the dairy industry, then I suggest that they adopt a different attitude. There is no question about that. When auction sales are taking place continually in an area eighty miles long by thirty miles wide, an average of one and a half sales a day, at which the finest dairy cattle in Canada are disposed of, it will be realized that we are not doing anything to save the dairy industry. There are men who have been in that industry for fifty and sixty years, born and brought up in it, and yet they are selling every one of their cattle. In the face of such a situation, neither the department nor the government nor this parliament has anything to be proud of in the manner in which dairy farming has been handled in Canada.

Mr. BLACKMORE: Is that taking place now?

[Mr. R. B. Hanson.]

Mr. CRUICKSHANK: Absolutely; there is no doubt about it. All one has to do is look up the local papers in British Columbia and see the list of advertisements or go through the valley himself and see what is taking place. I am not suggesting that the farm labourer is getting too much money. In my riding they are receiving, in some instances, from $80 to $125 a month and board for milking. Well, one cannot pay such wages at the price of dairy products. Last month when they were getting $1.66 per 100 pounds of four per cent milk, day labour was receiving $3.60—and I am not quarrelling over the fact that the day labourer receives that amount. Probably they should get more. At any rate, they were getting $3.60; and if the farmer produced 200 pounds of milk and had a man working for him, he lost twenty-eight cents on the operation. That sort of thing cannot continue, and yet no effort is being made to alleviate the situation.

I suggest that the government should do something in regard to farmers' sons.

An hon. MEMBER: Order.

Mr. CRUICKSHANK: Some hon. gentlemen call me to order when I interrupt the member for Témiscouata, but they do not call anyone to order for interrupting me. In British Columbia, at least as far as my riding is concerned, we have never applied for exemptions for farmers' sons. I have never recommended a solitary one, because I do not believe in that sort of thing. I do not believe it is the prerogative of a member of parliament to do so. At the same time I submit that more consideration should be given to any bona fide farmer's son so as to allow him to stay on the farm. Here may I pay a little tribute to the hon. member for Lethbridge (Mr. Blackmore). I suggest that sometimes, if we paid a little more attention to what he says, we might gain a little knowledge. I am not referring to his monetary system, because I understand neither his system nor the old one; but if we had given more attention to him we as a parliament—since I have been here at any rate—might have learned enough to wake up to a realization of the sugar beet situation. What is happening now? We are rationed on sugar because we were not longsighted enough to go in for the production of sugar beets.

The story has already been told by previous speakers with regard to labour, but it is the duty of the minister to impress upon the wartime prices and trade board the importance of this question. If he were free to tell us what he thinks of the board, he and I might agree. At any rate, we cannot continue

production in British Columbia if conditions remain as they are. I do not profess to be speaking with full authority for my constituents, but I am certainly expressing my own opinion when I say that it is doubtful whether the price ceiling is of any material benefit to agriculture. I doubt very much if it is. I think it is a detriment.

Mr. HANSON (York-Sunbury): It is a detriment.

Mr. CRUICKSHANK: In my opinion it is. We are being penalized; the forgotten man is being penalized for the benefit of the rest of Canada as a whole. If we are to be penalized—possibly it may be for the good of the country in the long run—surely we should receive something to compensate us in that regard, so that the farmer may be allowed to carry on. There should be an ample subsidy, or he should be given a guaranteed price for his product. The manufacturer is guaranteed a profit on what he produces. I do not say he should not have that guarantee, but there is not a shell manufactured or any other manufactured article produced in Canada on which the manufacturer does not know in advance what his profit will be. On the other hand, there is not a solitary article produced by the farmer of which this can be said. The farmer does not know, before he produces it, what profit he will get on anything he produces. I am not saying that there are not certain articles produced by farmers on which a profit is made, but the producer does not know that beforehand, as the minister admitted in connection with poultry and potatoes. The producer does not know until after he has produced the commodity. How many tanks or planes should we get produced at a loss if we said, "produce for victory, for patriotic purposes?" We would not get a wheelbarrow produced by that gang in Quebec and Toronto if we asked them to produce for patriotic purposes. We must be realistic; the farmers must be guaranteed a fair return for the energy and money invested.

Mr. BLACKMORE: I was not quite sure whether the hon. member said most of those dairy herds were being sold for slaughter.

Mr. CRUICKSHANK: I would not say most of them. We found that there were auction sales at the rate of one and a half a day. We checked on one sale of splendid dairy cattle and found that within forty-eight hours 98 per cent of two herds were slaughtered in Vancouver.

Mr. FULFORD: It is not my intention to argue the pros and cons regarding the wartime prices and trade board, nor do I wish to suggest that the price of cheese has been set too high. What I do say is that when the price of cheese was set the price of other dairy products was set too low. In other words, the butter price was set too low. One product of the dairy industry which I have not heard mentioned is condensed milk. At one time the constituency which I have the honour to represent was the greatest cheese-producing county in Canada. To-day we are one of the large cheese-producing counties. A great deal of the milk that formerly went into the production of cheese is now going into condensed and evaporated milk. In fact the farmers have become largely dependent on that outlet for the sale of their milk.

As matters now stand, the price for condensed milk has been set so low that the companies cannot meet the price paid by the cheese factories. Although I understand the minister's hands are tied by the wartime prices and trade board I should like to inquire whether there is any possibility of having the condensed milk business bonused as are a great many other industries. It is a very grave question with us. Even if the farmers should decide to stop selling to the condenseries, I am afraid they would be out of luck inasmuch as a great many cheese factories have gone out of business; some have been burnt; some have fallen into disrepair; others have actually had their machinery sold. As yet the condenseries are meeting almost the prices paid by the cheese factories; but this cannot go on, and in justice to our farmers some system must be worked out whereby it will be as profitable to sell milk to a condensery as to sell it either as fluid milk to a dairy or to a cheese factory. Even at the present cheese price the farmer is not getting what he should for his milk, although it is far better than it was. I cannot understand the prices quoted by the hon. member for Fraser Valley. Fortunately milk prices in eastern Canada are considerably higher than that, even if a bonus has to be paid in certain instances. One assurance that must be given—and I was glad to hear the Minister of Agriculture saying that consideration is now being given to the matter of freight rates on coarse grains to the Pacific coast and the east—the farmers must be guaranteed a continuation of reasonably stable prices on feeds. Otherwise I can visualize a condition in this section of Canada such as seems to prevail in the Fraser valley. We are losing a great many of our high-grade registered cattle, not for slaughter purposes I am happy to say, but buyers from the United

States are coming into Canada in large numbers and buying the very choicest cattle in our herds.

An hon. MEMBER: At high prices.

Mr. BLACKMORE: A dangerous situation.

Mr. FULFORD: It is. The prices are high but not too high. I am not arguing that point. I am glad that for once the farmers are receiving something, but to me it is a serious matter that the very cream of our herds is being exported to the United States. Something must be done to keep these fine cattle in Canada. If they are not kept we shall be left with the stragglers, the poorest type. Before the war it was possible to import stock from Guernsey, Jersey, Schleswig-Holstein, but we do not know what the Germans have done to those cattle. We must keep our stock up to the highest possible level, and the only way I can see to do it is for the government to formulate a definite policy, bonusing the farmers if you will, to keep their herds at the highest possible level of quality.

I sincerely hope that the Minister of Agriculture can persuade the wartime prices and trade board either to raise the prices of butter and condensed milk or to pay a bonus so that the dairy industry will be once more equalized and not in a state of constant flux as it is to-day.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. ROSS (Souris): Why is there a disparity between cheese and butter prices? This afternoon the hon. member for New Westminster said that cheese products were in the ratio of fifty, as compared with thirty-five for butter. Throughout the country people who are in a position to deliver their milk products to cheese factories claim they are making better money than those who make deliveries to creameries. In my province and, I suppose throughout the prairie provinces generally, we have scarcely any cheese factories. Indeed, under the system of priorities it would be difficult to have cheese factories constructed in that area. I am wondering if the dairy products board could not guarantee to the dairy producers the same price for their butter fat, whether it is used for cheese or butter or whole milk. In my view the present position is discriminatory and I suggest that the minister should give some concrete explanation for this condition. I suggest that the board should be instructed to pay these producers on a basis of equality for butter fat. Would the minister suggest that the board might do that?

Mr. GARDINER: I did give a partial explanation this afternoon. The explanation is provided not so much by the Department of Agriculture as on behalf of those who are establishing ceiling prices in Canada. The suggestion is that we can increase butter production by having a higher price during the winter months, rather than in the summer. That is one suggestion. The real reason for any disparity between prices of cheese and butter since the beginning of the war is that Britain desires cheese. Year after year she has been urging us to produce the greatest possible quantity of Canadian cheddar cheese to be shipped to Great Britain. Last year we suggested that all we thought we would be able to get under the conditions then existing was about 112,000,000 pounds. We just managed to get that amount by refusing to permit the sale of any Canadian cheese in Canada. Cheese made between May 26 and October 1 of last year was all shipped to Great Britain; none of it was allowed to be sold in Canada. During the winter months we allowed a higher price, and did get a very considerable production of cheese in those months. It is argued that by the plan which is now being followed of having a thirty-five-cent ceiling in the summer months and a higher ceiling in the winter months we can get a considerable production of butter in the winter months of the coming year.

I said this afternoon I was not at all sure as to whether the results would be what are expected. Nevertheless that is being tried out for the time being, and we are cooperating in every possible way to bring about a favourable result. The suggestion was made this afternoon that a price of fifty cents for butter would compare favourably with the present price of cheese. But one would have to include with the price of cheese the subsidies paid by provincial governments and the premium paid by the federal government in order to raise the comparable butter price to that level.

The price paid for cheese exported to Great Britain is twenty cents a pound. We have always considered that two cents for butter to one for cheese would be about the proper relationship. Based on the actual price that would mean about forty cents a pound for butter. There has been a demand made to keep the price as nearly as possible at proportionate levels. The argument is put forth at the present that we may get all the

butter production we require, and at the same time encourage a greater production of cheese for Great Britain by having the present disparity in prices.

Mr. ROSS (Souris): There is no great surplus of butter, is there? I read that there may be a shortage of butter. If there is no great surplus, I should think the argument should prevail that there should be as nearly as possible a parity on all dairy products.

Mr. GARDINER: I think one hon. member this afternoon used the correct figure when he said that storages were down about 5,000,000 pounds at the beginning of last month, as compared with a year ago. If nothing else is taken into consideration, this indicates that there might be a shortage of butter at the end of this season. We have been accustomed to expect our peak production in May and June, the production then tapering off in July, and still further in August and September. This year it is hoped we shall have increased production next winter, with the higher prices, in order to make up for anything which drops off during the factory cheese producing months this summer.

I should add that we are hopeful at this time of being able to get the 125,000,000 pounds of cheese we have agreed to send to Britain; but we are not yet in a position to state with any assurance that we shall have the full amount of butter which will be required for consumption in Canada.

Mr. LECLERC: I was interested this afternoon to hear the Minister of Agriculture talking about butter and cheese. I have been in that business for about forty years and, although I am not an expert, I believe I know something about the industry. It would seem that the minister and his advisers are a little worried that we may run short of butter this year. The fiscal year, if I may so describe it, for cheese and butter, is from the first of May to the last of April in the following year. Last year we received 85,000 boxes of butter as compared with 50,000 boxes received this year. On the other hand, we received this year 150,000 boxes of cheese as compared with 50,000 boxes last year. There is no necessity for an expert to see at once that we are going to run short of butter before the year is over. Unless we can import some butter I would urge the minister to give serious consideration to the situation and not to wait until the first of October before he revises his plans. I know that after the first of October very little milk is produced, and unless a very high price is paid for butter, he will not get it at all.

I do not make this suggestion to embarrass the minister, because I always pity ministers when they are being grilled with respect to their estimates—although I know that the passage of estimates is almost a holiday for the present Minister of Agriculture. I do not believe any more milk will be produced this year than last because there is a scarcity of labour. Farmers' sons have been enlisting, and others have been drafted. Many farmers are reducing their herds. They cannot hire help; that is out of the question. The result is that for many reasons we shall be short of butter, because at this time there is a better market for whole milk, condensed milk and cheese. Consequently, if the production of milk is the same as it was last year we cannot expect any increased production. Last fall we had about 8,000,000 pounds of butter that we did not know what to do with, but the purchasing power of our people increased to such an extent that that butter disappeared during the winter and was practically all gone on May 1. This year we should have a greater production because we have the market for it.

I do not know that the minister can do much about this matter because we have the wartime prices and trade board. I wonder if that board knows anything about cattle. I wonder if it knows which end of a cow should be milked. I think the government whenever possible should take the advice of those who know something about this business. The other night the hon. member for Renfrew South (Mr. McCann) complained about not being appointed to committees where his advice on medical matters might be of value. I urge the minister to consider these suggestions carefully. I know he is a good listener. About a week ago I wrote him to urge that the butter fat content of ice cream be cut down in order to conserve butter fat. Before I received an answer an order in council was passed reducing the butter fat content to where I wanted it. I compliment the minister upon that action.

Mr. TUSTIN: This afternoon the hon. member for Fraser Valley (Mr. Cruickshank) wanted to know why the price of milk was always tied up to the price of cheese. The reason is that that is usually the lowest price paid for milk. At the present time a controversy is going on with regard to condensed or powdered milk manufactured in this country. The milk board of Ontario has set the price at $1.95 per 100 pounds for 3·5 per cent milk. That is 25 cents per 100 pounds above what the basic price had been for some time. In April the cheese factories paid $1.50 per 100 pounds or 47 cents a pound butter

fat for 3·2 per cent milk. How can a farmer who must sell his milk to the butter factory continue in business when he receives only 35 cents a pound butter fat? There is a difference of 12 cents a pound between the price paid for milk to be manufactured into cheese, and that paid for milk to be manufactured into butter. There is a greater discrimination in connection with milk going to the condenser or powdered milk plants.

It is necessary that a great part of our milk should go into the production of cheese because we must produce 125,000,000 pounds during this year if we are to fulfil our agreement with Great Britain. I have no doubt that this will be done; in fact, our production may be greater than that if there is some coordination and control over the milk industry. The Minister of Finance is in his place, and I understand that the payment of subsidies comes under his department. I should like to draw something to his attention as well as to the attention of the Minister of Agriculture. Last December the farmer was selling his milk to the cheese factory when cheese at 25 cents a pound had the advantage, but the farmer who was sending milk to the condenser or powdered milk plant suffered to the extent of at least 40 cents per 100 pounds of milk, as at that time the ceiling on cheese allowed a price higher than the price being paid by the condenseries.

In April last the cheese factories were paying at the rate of $1.50 per 100 pounds for 3·2 per cent milk, or 47 cents a pound butter fat. At this time the basic price at the condenser for 3·5 per cent milk was $1.70 per 100 pounds. There was 40 cents per 100 pounds subsidy paid by the federal government, which brought this amount up to $2.10 per 100 pounds. I have a suggestion to make which might help to overcome the discrimination in favour of the man sending milk to the condenser or powdered milk plant. There should be coordination and control by the dairy products board so that each farmer will get approximately the same return for his milk. The flow of milk will always be to the point at which the highest price is paid, but this board should be given power to control and allot milk to the cheese factories in sufficient quantity to produce the 125,000,000 pounds of cheese required by the British government. Then the remainder could be allotted to the condensers and powdered milk plants. I understand there is a considerable demand overseas for condensed milk. The rest of the milk production could be allowed to go into butter channels. By the exercise of this control each and every farmer would get approximately the same return for his labour.

[Mr. Tustin.]

It looked as though the Minister of Agriculture had made a good bargain with the British government when he was able to get 20 cents a pound for our cheese. In April last, however, there was not much cheese shipped to Great Britain out of the make priced at $1.50 per 100 pounds for 3·2 per cent milk. That includes the premium paid by the federal government as well as the 2 cents a pound paid by Ontario. That did not give a large return to the farmer especially when one takes into account—this has been referred to so many times—his extra cost of labour and the extra cost of those commodities he must purchase. It is not in any way a parity price. I believe a great service could be rendered by the government of Canada by empowering the dairy products board to coordinate the supply of milk going into manufacturing purposes of all kinds.

Mr. DAVIDSON: I should like to support what has been said by the hon. member for Shefford. The outlook is not very promising for an increase in the production of butter. I do not think it is wise to wait until October to make this experiment, as the minister suggested to-day. I would ask the minister whether he does not think a slight increase in the price of butter fat would improve the situation. Over the week-end I talked with people who manufacture butter and cheese in my constituency, and I find that they are paying thirty-eight cents a pound for butter fat which is used in the manufacture of butter, and fifty cents a pound for butter fat used in the manufacture of cheese. A five-cent increase in the price would bring the price of butter fat for making butter to forty-one or forty-two cents a pound. There are a great many farmers who consider that the skim-milk which is left is an asset that is worth something to them, and so in my opinion if that slight increase of five cents a pound for butter fat used in the manufacture of butter were made, it would divert to the butter factory some of the milk that is now going to the cheese factory. If, however, we wait until next October before we do anything, conditions are not going to improve.

In the break-down which was put on *Hansard* by the Minister of Finance I noticed an item of $1,514,950 for the dairy products board. I can recall when this butter and cheese question was up two years ago and the suggestion was made that there should be a dairy products board to regulate the production of butter and cheese, to keep the two commodities on an even keel, so that it would not be necessary to divert the butter fat from one product to the other. But now we are right back to

where we were; only the picture is the reverse. We have plenty of cheese now, and not enough butter.

I would think the dairy products board could control to a certain extent the production of these two commodities, butter and cheese, and keep them on an even keel, and I believe the speaker who preceded me had the same thought in mind, so that it would not be necessary to be continually diverting butter fat from one product to the other. I should like to hear from the minister whether he thinks an increase in the price of butter fat would make some improvement at the present time.

Mr. WRIGHT: I agree with the two speakers who have preceded me. I think the suggestion of the hon. member for Prince Edward-Lennox is very good with regard to stabilizing the price of dairy products right across the dominion. We in western Canada have been trying for the last several years to get away from straight wheat farming into mixed farming. There has been a greater percentage of increase in the quantity of dairy products produced in the west in the last few years than anywhere else in the dominion; and yet to-day we are receiving in my home town only thirty-three cents a pound for butter fat, whereas producers in other parts of the dominion are receiving approximately fifty cents a pound. That is too great a spread, and the result will be to discourage dairying in western Canada, where I believe it should be increased.

The marketing board should take under consideration the advisability of adjusting the price of dairy products across the dominion. Prices could not be exactly alike all over; there would probably be a differential between different districts, but there is no justification for that great spread of from thirty-five to forty per cent between the price paid to-day in western Canada and that paid in other parts of the dominion. Producers of butter fat in other parts of the dominion are receiving a certain adjustment with regard to freight rates on feed grain, and I believe that is all to the good. That is a very good policy and it should be continued. At the same time there should be greater equality in the price of dairy products as between different parts of this dominion and different types of production, and that is particularly necessary at this time if we are to have increased production.

Mr. GRAYDON: I was very much interested in the remarks of the hon. member for Stanstead (Mr. Davidson) who, if the facts were known to all members of the house, is, next to the breeders in the county of Peel, one of the largest Jersey breeders we have in eastern Canada. I know he will not think I am reflecting on him when I place those in the county of Peel a little ahead.

A discussion of agriculture under this war appropriation measure, and in its relation to our general war effort, is very much to be desired at this time, because it is impossible, as I see it, to visualize the broad scheme of the nation's war effort without bringing into the picture very solidly, firmly and in a conspicuous position agriculture's share in the supplying of food.

The position of agriculture in Canada upon the outbreak of hostilities left a good deal to be desired. Even during the period of the war agriculture has felt, and justifiably so, I think, that its position in relation to that of other industries more closely related to the war effort and to others not as closely related has not reached parity; in other words, agriculture has not been getting a fair return or its fair share of the national income. Those views have been advanced on a great many occasions, and I have no desire to-night to do more than simply reemphasize what has been so well said on previous occasions.

During the last few weeks, in addition to the great delegation which came from western Canada to Ottawa asking, not for concessions because they would not call them that, but that the rightful position of agriculture in the general economy and in relation to the war effort should be recognized, another important group made representations to the government of Canada, and many of us who represent rural constituencies in Ontario were privileged to sit in at that gathering. That was when the agricultural council of Ontario came, representing, as hon. members who are familiar with its activities know, many of those who are prominent in the agricultural and municipal life of the province. They presented several resolutions to the government, and I think members of parliament could very well take a leaf out of the book of these farmers for the brevity and clarity and orderly way in which they marshalled their arguments from beginning to end. I believe the Minister of Agriculture and the Minister of Finance will agree with me when I say that within the short space of an hour and a quarter the whole argument on the five resolutions had been well and truly presented to the government by the agricultural council, and they were highly complimented upon their presentation.

I have no intention to-night of dealing with all the resolutions they presented, but I should like to touch on one or two which have particular merit with respect to the present situation. One was this; and while the Minister of Agriculture may be able to say that this is a matter not completely within the scope and sphere of his department, I believe he has a wide influence in the cabinet, and I hope, indeed I know, that he will use it to have this rectified and remedied. Many farmers during this war-time period have had to change in many respects their style of operation. The fact is that, as most rural members realize, farm help is not only a matter of wages; you cannot get experienced help in a good many areas no matter what you pay. That being so, the farmer has had to turn, where he could, to an increased use of machinery. In my own county a considerable number of milking machines have been installed since the war began. The reeve of one of the municipalities in my constituency, speaking on behalf of the agricultural council when they met here two or three weeks ago, stated that he had increased his flow of whole milk for the Toronto market some 30 per cent by installing milking machines and using less farm labour.

That being so, the supply of electrical equipment and power comes in a very important manner into the picture. In many instances the farmer, in attempting to put in a milking machine, a cooler, or some other modern machinery or equipment so essential in these days to the whole milk trade in that particular area, finds that, even where a hydroelectric line passes right by his gate and it is only a matter of bringing the power in from the gate to his stable or other buildings, one of the government boards which are so popular with the hon. member for Fraser Valley, in exercising its authority with regard to steel and power control, will not make the necessary power available. So the farmer, even though help is so scarce, has this obstacle, though perhaps inadvertently, placed in his way at a time when he requires extra machinery to carry on; all this by virtue of the regulation of some board which, I quite believe, has not one farmer on it. The orders of the power controller are affecting very many farmers in Ontario. Perhaps I should not mention figures, but there are dozens of farmers in the area from which I come who have been trying for a considerable time to obtain permission from the controller to get electric current just from the roadway into their barns. Some of them have even the equipment but cannot connect up with the current. I am not suggesting that the Minister of Agriculture is responsible, because he is not, but I would like to see him take, in this connection, the aggressive stand which he does on many other matters, and see that some concession is made to the farmer who is attempting to substitute farm machinery for the human help he cannot get at this time. It is not impossible, I am told, for those in residential sections in urban centres to get some types of installation, even to-day; and since this equipment is part of the tools of the farmer in his business, he ought in fairness to be able to install power machinery which means so much to the operation of his farm.

I have said on a previous occasion, but I want to stress the point again, that before we go much further in this war effort I believe we are going to suffer a grave and acute shortage of agricultural supplies. The minister and the government have been somewhat remiss in not exercising the foresight to plan for agricultural supplies in the same manner as they have planned for other types of wartime production and activity. I know it is not always easy to foresee future trends as regards farm products; but even to the average layman it must be abundantly clear that, if farm help continues to be hard to get, if as many farmers are holding sales as we were told this afternoon are being held in the Fraser valley, and if so many are going into other types of industry as we have been told repeatedly in this chamber is a fact, only one result can follow, having regard to the fact that there is more demand for agricultural products than there was when we had a greater number of farmers and more help to man the farms. I would therefore suggest to the minister that this government should at once give deep and serious consideration to planning its agricultural policy with a view of avoiding and averting what I think will otherwise be a grave shortage of farm products and farm supplies within the next year, if this war continues at its present tempo.

Some reference has been made to the whole milk industry. Perhaps it does not cover as wide a territory geographically as that of some other lines of dairy production which have been mentioned here to-day, but it is a tremendous industry and, with respect to the metropolitan area of Toronto has been—

Mr. GARDINER: I wonder if hon. members would agree with me if I were to say that since the dinner recess we have been discussing the dairy products board and its activities, which we had agreed before the dinner recess we would leave until we were dealing with the last five items. Could we not clear up the general remarks with regard to agriculture which were to come in on the

above items? Up to the moment the hon. member has been dealing with the general items, but it appears that now he is going into the matter of the dairy products board. Perhaps he would confine the discussion to the upper items, and we can deal with the other items when we come to them.

Mr. GRAYDON: Yes. Unfortunately I was not in the chamber when the arrangement was made, and I apologize to the minister. I should like to continue my remarks when we come to the dairy products board item, because there are one or two observations I wish to make.

Mr. NOSEWORTHY: I notice in the war appropriation estimates before us an item of $230,000 for "programmes to encourage the production of essential war supplies." In view of the foresight which the Minister of Agriculture has shown and is showing, it is quite possible that what I am about to say may be like carrying coals to Newcastle. But I wonder whether the minister has, in collaboration with his colleagues, canvassed the extent to which agriculture can contribute to the production of rubber, which to-day is an essential war product.

A few nights ago the hon. member for Parry Sound gave us some facts regarding the production of rubber from grain alcohol. I believe it is a well-known fact to-day that much of Russia's rubber supply comes from potato alcohol. I was surprised this afternoon to hear the minister express fears that we in this country may have a surplus of potatoes in the fall. There is abundant evidence to show that grain alcohol can be used for the production of rubber in half the time and apparently at approximately half the cost of synthetic rubber made from petroleum. A report of the United States senate committee on agriculture gives figures from which I deduce that our present carryover of wheat is sufficient to provide all the rubber that is necessary to supply the military needs of both the United States and Canada. These figures are given by a committee of the United States senate exploring ways and means of assisting agriculture. Furthermore, it is a well known fact that there are at least four commercial plants operating in the United States to-day making synthetic rubber from milkweed. There are at Akron three commercial plants actually producing rubber and supplying it to the United States military forces—rubber that is made from the latex produced by milkweed. There is also, I understand, a factory in California. There is also available at the present time a fairly large supply of milkweed seeds and plants for the production and growing of milkweed on a commercial basis. What heretofore has been known as a weed can now be grown in about five or six months on arid land where there are two or three inches of soil. It can be grown very cheaply, and rubber can be produced from that plant at a price much lower than that of the product obtained from either petroleum or the para tree. Has the minister investigated the possibility of opening up a new source of revenue for our agriculturists, giving us an industry that, when the war is over, will keep the production of synthetic rubber out of the hands of the great oil monopolies which exist at the present time?

Mr. QUELCH: This afternoon the hon. member for Fraser Valley (Mr. Cruickshank) and the hon. member for Leeds (Mr. Fulford) stressed the fact that in their districts a number of sales were being held at which valuable dairy stock were being disposed of, and a large percentage of that stock was finding its way into the slaughter houses and being exported. I think the majority of western members can duplicate that statement. Last year I attended many sales at which valuable stock was sold and dragged away to the slaughter houses. I believe, as one member stated, that this could be very largely overcome if a higher price were paid for butterfat. The same applies to poultry. We are given to understand that there is an urgent need for a greater production of eggs, and yet I received word the other day that the price received for eggs was around 10 cents a dozen on the average. We cannot expect the farmer to be enthusiastic about keeping poultry in the month of March when he gets only 10 cents a dozen for his eggs. Last fall I saw pullets and yearlings being shipped to the packing plants. The hon. member for Fraser Valley emphasized the fact that the Minister of Agriculture (Mr. Gardiner) was not to blame for the present standard of agricultural prices. The hon. member blamed the wartime prices and trade board, and I shall discuss this matter at greater length when the Minister of Finance (Mr. Ilsley) is before the committee. The question I wish to ask the Minister of Agriculture is this. Surely when the wartime prices and trade board set a ceiling on agricultural prices they consulted the minister and his department, or are we to understand that the wartime prices and trade board set this level of prices against the recommendation of the Department of Agriculture? In other words, is the Minister of Agriculture himself opposed to the price of agricultural products being held to the present level?

Mr. GARDINER: Before the dinner recess one or two questions were asked me with regard to flax in relation to British Columbia, and before going on to deal with the general questions put within the last few minutes, I should like to answer the questions that were asked at that time. The question was asked whether one of the seven inspectors was assigned to British Columbia, and a further question was asked as to what assistance was given in British Columbia in connection with the production of fibre flax. The answer to the first question is that there is no inspector assigned to British Columbia. There are no flax mills in that province. Inspectors are appointed to go to the flax mills and grade the product there. Any inspection there is of a field crop nature is done by the regular field men of the department. When we started the flax production programme in cooperation with the provinces, British Columbia asked us for 500 bushels of seed. We supplied them with 500 bushels, but they used only 135 bushels, and we had to ship the rest back east where there was a demand for it. I think it will be agreed, therefore, that the government went as far as they could be expected to go when they shipped all the seed west that was requested by that government, and then had to ship part of it back where it could be utilized by farmers in other parts of Canada. Only thirty-five or forty farmers undertook to grow flax in British Columbia. There is no flax mill there, and they are producing only seed now, although a cooperative is being formed, and it is the intention to erect a mill in that province.

Mr. REID: I understand they are doing that now.

Mr. GARDINER: There are 200 acres in flax in British Columbia this year. The inspectors referred to in this vote are fibre inspectors, and they work only at the mills. There are thirty-three mills in Canada located in Quebec and Ontario, and these men divide their time between those mills. They are each responsible for about six mills, and their work is to grade the fibre. This can be done only at the mills. That answers pretty well in full the question with regard to British Columbia.

The general question with regard to agricultural policy was discussed at some length before the dinner recess, more particularly by the hon. member for Dufferin-Simcoe (Mr. Rowe), and has been referred to by others since then. All I wish to say at this moment is that earlier in the session we had a lengthy discussion regarding the matter while certain bills were before the house. We also had quite a discussion with regard to it a year ago when we were considering the estimates of the department. I thought I had been fairly successful in convincing the house, and if not the house those outside the house, that the government has had a policy, not beginning with the day war was declared as was the case in connection with some other activities in Canada, but beginning a considerable time before war was declared. The result was that we were producing very much more of most farm products in the last year before the war than had been produced in the immediately preceding years. We had considerable surpluses of farm products in Canada for which we were having some trouble to find markets because of conditions then existing in the world. It will also be remembered that during the first year of the war we had an unprecedented increase in the production of products such as bacon, ham, and dairy products of different kinds, necessary for the feeding of the British population under conditions then existing. This increase was a direct result of the policies carried out in the months immediately preceding the war to encourage greater production in agricultural lines.

That policy, I repeat, was carried out in years when there was a lessening of the market for the products of many sections of Canada. Prophecies were made from all sides of this house that markets outside Canada for agricultural products would be smaller and smaller rather than greater and greater. We made that effort largely because we were keeping in touch with authorities in Britain as to what was being done there in order to make sure that if difficulties did arise, food products would be available. I need hardly say that Britain did not begin in the year that war was declared to produce food supplies. One has only to go back and check the records to know that for five or six years before the war Britain was proceeding as though, while they hoped there would be peace, they rather expected they would be involved in difficulty on the European continent. In all their activities in relation to agriculture they were carrying out a policy based on that idea. We were not without information gathered from Britain in regard to the matter. I myself and other ministers of the government went to Britain in 1936 and discussed the whole matter, and from the time we returned we set up the present organization of the department to promote not only the production but the marketing of farm products. It is not necessary to say that the government expected war in order to give reasons for following a policy of that kind. If there had been no war, it would have meant the establishment of confidence among the

nations which would have restored that degree of international trade which would have given a market for at least the amount of commodities which we produce from our agricultural land in normal times.

It has been interesting to listen to hon. members saying that there have been auction sales. I would be very much surprised if there had not been auction sales. There are 70,000 farms in Canada operated by men and women over sixty-five years of age, who have no families to assist them. I venture to say that at least 75 per cent of those men and women have been waiting for a time to arrive when they could sell their land to younger people who could operate it not only to their own satisfaction but to the advantage of this country. Better returns are making sales possible. Of course sales are being held. I know also that not all the sales being held are of farms operated by old people. Many of those sales are of farms of individuals who have been looking for an opportunity to leave agriculture, either because they feel they are not suited to it, or because they have made preparations for doing something else.

An hon. member said to me this afternoon, "You and I could go out into certain sections of Ontario to-day and buy farms at $3,500 to $4,500, which men and women have spent whole lifetimes in building into comfortable homes." No doubt that is true. But I know also that if a person who really likes agriculture, who is in it because he wants to make of the farm a home, can buy a good farm in Ontario at $3,500 to $4,500, he is making about as good an investment as any he could make in Canada at the present time. More particularly is that true if he can pay cash for the farm. Farming in Canada, as in any other country where it is made an individual enterprise, is best carried on with land that is actually paid for. It is a most difficult thing for a person with only a family-sized farm to carry on that farm with a huge debt upon it, equal to, say three-quarters of its actual value, and try to build a home and maintain a family and carry on as people would like to in any home no matter where they may establish it. But people who inherit farms paid for, or who are able to pay for the farm when they take it over, and who are suited to life on the land, are able to make comfortable homes on farms in Canada even when conditions are not as good as they are at the present time. When I use the term "good" there, I hope I shall not be misunderstood. Any peace conditions are better than present conditions, no matter what the price level may be. Present conditions, no matter what the returns from the land may be, as such as to make people dissatisfied, looking at the past and looking into the future.

Having said that, let me say that, in spite of the fact that there are sales and that hon. members have been saying that there are farms here and there across Canada that have gone out of production, the remarkable thing is that the net returns from farms in Canada to-day, when you take the total returns, are about as good for a twelve-month period as they have been at any time. That is due to two causes. The first is that there is a market for everything that can be produced in certain well-defined lines, the staple products of the farms of this country. We can market at the present time every hog we can raise of a certain standard, every beef animal, every pound of cheese and every pound of butter that we can produce.

Mr. CRUICKSHANK: At what price?

Mr. GARDINER: We can market every pound of whole milk that we can produce. My hon. friend asks, at what price? I will tell him, at a better price than he could have got at any other time since 1930—and that covers quite a period of time.

Mr. HANSON (York-Sunbury): In a very abnormal period.

Mr. ROWE: That would be expected.

Mr. GARDINER: Yes; that would be expected. The price is not high enough from the farmers' point of view, but the higher return is brought about by a combination of a price which is being paid for farm products, and a greater market available than farmers have had at any time since 1929. Those two factors combined have brought back better returns in dollars and cents for the farmers, with the result, as I said a few moments ago—and the statistics bear me out—that the actual total net returns across Canada from farm lands compare favourably with what they were in the average year from 1926 to 1929, which is looked upon as the best period in agriculture over a long period of years.

Mr. ROWE: What about their proportion to national income in the same year?

Mr. GARDINER: The hon. member for Dufferin-Simcoe asks about the proportion to national income. I would much rather leave the discussion of that question until the time when the general estimates of my department are before the committee, at which time I shall have the information before me. But I would say this at the moment, that I find it difficult to follow the argument of hon. members who come from the Fraser valley if you like, or from areas surrounding Toronto,

or from areas surrounding Hamilton, or from any other of the industrial areas in the dominion. Whether they intend it to give this meaning or not, when they say that the men who lived on the farms in those communities should not have gone into the industrial—

Mr. ROWE: I did not say that.

Mr. GARDINER: It could have only that meaning.

Mr. ROWE: No; I never said any such thing.

Mr. CRUICKSHANK: And I never said that.

Mr. GARDINER: Well, put it this way: We should get a return for the farm production which would keep the men on the farms.

Mr. CRUICKSHANK: Absolutely.

Mr. GARDINER: Well, how can they be in the plants and on the farms too?

Mr. CRUICKSHANK: That is a different thing altogether.

Mr. GARDINER: It is the same point. I quite understand it is a rather difficult point to have nailed.

Mr. ROWE: I do not propose to permit the minister to nail on to me what is not true. I do not mind a reference to what I have said, but not to what I have not said. I did not imply this afternoon that I censured any farmer or any hired man for leaving a farm and going to a factory; I only pointed out the difference in the wages received.

Mr. GARDINER: Well, the argument has been brought out all through the discussion, before the Easter recess, and even during the last session that men have gone off these farms and gone into the factories, with the result that the farms are not occupied as they might be.

Mr. CRUICKSHANK: That is right.

Mr. GARDINER: In other words, that you ought to have a man on his farm, and producing more on his farm.

Mr. CRUICKSHANK: Certainly.

Mr. GARDINER: All I wish to say with regard to that is this: If those boys had not been in the plants, and if the women from those farming areas had not been in the plants, it would not have been possible for a thousand men to be over Essen last night with aeroplanes; nor would it have been possible for 1,250 men to be over Cologne two nights earlier.

[Mr. Gardiner.]

Mr. ROWE: That is beside the point altogether.

Mr. CRUICKSHANK: That is not correct.

Mr. GARDINER: My hon. friend says, "that is not correct."

Mr. ROWE: It is beside the question.

Mr. GARDINER: It is not beside the question, either.

Mr. ROWE: The minister is skating well.

Mr. GARDINER: It is a well known fact that the armies of the empire, including Canada, were unequipped when the war began. It is a well known fact that one thing which had to be done, if there was going to be equipment, was to have as many men as possible, as soon as possible, in every plant in this country, to increase the sizes of the plants, and to man them with men and women who could produce the necessities of war.

That has been done. Might I add this, that in the years immediately preceding the war we were listed as having over a million men unemployed in Canada, and even yet we are sometimes told that they are not quite all employed. However, many of them are. Well, if we take the size of our armed forces in the navy, the air force and the army, and take, in addition to that, the men who have gone into our plants across Canada, we have a figure which is not very far removed from the number who were unemployed before the war started. When we add to that this further fact, that we are to-day turning out twice as many hogs from our farms as we did in the last year before the war; that we are turning out possibly this year 40 per cent to 50 per cent more cheese; that we produced 20,000,000 pounds more butter last year than we did the year before; that we are producing more wheat than we know what to do with, and that we have, as a matter of fact, increased our farm production all along the line, I find it difficult to understand how these cows could be slaughtered, those sows sent to market and those sheep driven off the ranges when we are increasing the production of every farm product in Canada by leaps and bounds, and have been, ever since the war started.

Of course there will be a time when we shall have to say that we must balance our agriculture—

Mr. CRUICKSHANK: When?

Mr. GARDINER: —against our production of munitions and armed forces. My hon. friend asks, when? He had better read the record.

Mr. CRUICKSHANK: It does not read very well.

Mr. GARDINER: If he reads he will find that it is much better balanced now than it has been at any other time in the agricultural history of Canada, since the years immediately following the last war.

Mr. ROWE: That is not right.

Mr. CRUICKSHANK: Not in British Columbia.

Mr. GARDINER: Let me go back to the point with which the hon. member for Fraser Valley disagreed a few moments ago. He still holds that men in British Columbia should be on the farms, rather than in the shipyards or in any other industrial operation being carried on near the city of Vancouver. After all, the agricultural area in that section of Canada is not so big that it cannot be covered by the hon. member's seat, and one or two others. There is not a great area. I can quite understand that when you take so many people away from the Fraser river valley it will affect the agriculture in that particular section of Canada. But when you are fighting a world war, and when you take the province of Alberta along with the Fraser river valley—and realize that the Fraser river area never did produce enough food to feed the people of Vancouver—

Mr. CRUICKSHANK: Oh, just a minute.

Mr. GARDINER: "Just a minute," you say. It is an absolute fact that in order to get enough pork, enough butter, and enough beef to feed the people of Vancouver they have to import from Alberta. When we as a national government are dealing with agriculture we are dealing with it right across this country. When we are dealing with it in war time we are interested in getting the highest possible production in order to send to Great Britain all the products she requires. The areas around Vancouver are not producing surplus products to go outside Canada. Apart from fruit, milk and eggs they are consuming some of the surpluses being produced in other sections of Canada.

Mr. CRUICKSHANK: Does the minister mean to say that we are not shipping surpluses of milk, butter and eggs to Great Britain?

Mr. GARDINER: For a long period Vancouver has been importing a great part of her food supplies from the area over the mountains. What we are concerned about is getting our production across Canada up, and we have that production up. Our hog production is double what it was before the war. Some hon. members have been saying to-night that we are going to get 125,000,000 pounds of cheese this year to be sent to Great Britain. During the year I became a minister in this government, we sent 54,000,000 pounds, and we are told that this year we shall be able to send 125,000,000 pounds. These figures indicate that there has been an increase in the production of that commodity which is needed greatly overseas.

Mr. ROWE: Was it not that much thirty years ago?

Mr. GARDINER: We used to send far more than that forty years ago, but, as a result of some of the policies carried out by my hon. friend's friends toward the end of the last war, we lost our market.

Mr. ROWE: It was the minister's government that lost the market.

Mr. GARDINER: We are attempting at this time to win them back by giving service.

Mr. PERLEY: What did Mr. Dunning say in his May day budget about British markets?

The CHAIRMAN: The minister has the floor.

Mr. PERLEY: He should not make political speeches.

Mr. GARDINER: Two or three political speeches have been made, and I ought to be allowed to make one.

Mr. ROWE: Then the minister should not mind a little interruption.

Mr. GARDINER: I do not mind interruptions; I rather enjoy them.

Mr. HANSON (York-Sunbury): Will the minister discuss with the committee the question of the net return to the farmer at the present time, and how much of the national income the farmer gets? It is what is left that counts.

Mr. GARDINER: I put the figures on *Hansard* before the Easter holidays, and I expect to put them on again when I am discussing my estimates. I do not think I should be required to put them on the third time, particularly when I have not the actual figures in front of me. When I put them on the record I want them to be correct.

Mr. ROWE: Nobody knows them better than the minister does.

Mr. GARDINER: I think I have a fair idea of what they are, but I do not think this is the occasion to put them on *Hansard*.

Mr. ROWE: They do not fit this occasion.

Mr. GARDINER: There is one other point upon which I think I should touch in view of the discussion that has taken place this afternoon and evening. I refer to the matter of prices established by the prices board and their relationship to farm products.

Mr. HANSON (York-Sunbury): Would the minister tell us about his struggle with the board?

Mr. GARDINER: I think it was the hon. member for Fraser Valley who said that I should put forward the cause of agriculture in the government and elsewhere. Not all the members of the government are here this evening, but I think those who are will agree with me when I say that there were not many opportunities for putting forward the case of agriculture of which I have not taken advantage. That is evidenced by the fact that right from the beginning of this war we have had something that no other government in Canada ever had before—we have had floors under farm prices. A floor under the price of hogs was established by the British agreement in the fall of 1939 when war was declared. That floor under the price of hogs kept hogs in Canada from three to five cents a pound higher throughout that year than they were in the United States. Our farmers reaped the advantage of that agreement.

Mr. WRIGHT: Was not that floor placed under the price of bacon?

Mr. GARDINER: The price of hogs to the farmer was from three to five cents a pound higher in Canada than it was in the United States. That is the price for hogs, not bacon.

Mr. WRIGHT: Nevertheless the floor was not under the price of hogs, but under the price of bacon.

Mr. GARDINER: The people eat the bacon and other pork products, and the prices were set under those.

Mr. HANSON (York-Sunbury): The packer had the floor, not the farmer.

Mr. GARDINER: I think the hon. gentlemen who are making remarks have had more friends among the packers than I throughout the years.

[Mr. Gardiner.]

Mr. ROWE: The minister has not offended them very much.

Mr. GARDINER: The position in connection with prices is that in the fall of 1939 we established a floor under the price of hogs. In the spring of 1940 a floor was established under the price of cheese. That floor has been raised year by year, until at the present time it is twenty cents a pound. When hon. members recall that we started at ten cents a pound in the year before the war, even at the time war was declared, I think they will agree that to have raised it to twenty cents a pound plus the premium and plus the subsidies is not doing so badly.

Mr. ROWE: Who raised the floor under beef?

Mr. GARDINER: The floor under beef was established by the trade agreement made with the United States, and that trade agreement had not many friends among my hon. friend's friends. That floor was so high this year that people in Toronto found themselves a little short of beef because it was going to the market that paid the best prices. People in Montreal found themselves a little short of beef, but one did not hear any farmer kicking about the price of beef in the United States. The farmers were quite prepared to send their cattle where they could get the best price, provided we were not prepared to pay a similar price for the same product in this country.

When any one of these products was up for discussion, the Department of Agriculture and the Minister of Agriculture put forward the position of the farm population of this country. I did succeed in having an agreement entered into, and agreed to by both the Department of Agriculture and the prices board, which raised the selling price of beef across Canada and which made certain arrangements for the regulation of the shipment of cattle into the United States. At the same time it maintained the United States price for the full quota allowed under the arrangement, and maintained the ceiling price for all other cattle sold in Canada after the United States quota was filled. That arrangement established a floor under beef prices. It is true that a ceiling was also established, but to date the price of cattle has been above even what anyone would attempt to figure out as being the ceiling which would be allowed based on the beef prices that were set last fall.

As I say, floors have been placed under the prices of hogs, beef and butter. We have had a floor under wheat, but I shall not discuss

that to-night. It is higher now than it was at the beginning of the war, and more satisfactory. Who put the first floor under butter? We had a floor under butter prices in the summer of 1939 before there was any prices board.

An hon. MEMBER: Who put the skids under butter?

Mr. GARDINER: If hon. members want to know who put the skids under butter, I would ask them to go back to about 1932. They not only put the skids under butter; they greased the skids with butter. It could scarcely be given away in 1932. At the present time butter is at least 35 cents a pound in Montreal. In the year before the war and in the first year of the war it was down to 20 cents a pound. So that something has been done by somebody to increase the price to its present level. One of the things done was to establish a floor under the price of butter last year, which maintained the price above 30 cents all last summer.

That covers most of the products of which we have been speaking. When my hon. friends say that they are not satisfied because butter is not up to the same level as cheese and whole milk, I can only say to them that it is not the fault of those who represent agriculture in this house, whether it be the minister or others, that the price is not higher. I do not think a single man has risen in his place in this house since this debate started and discussed ceiling prices without prefacing his remarks with the statement: I want it to be fully understood that I am in agreement with the policy.

Mr. ROWE: No, no.

Mr. HANSON (York-Sunbury): With the objective, not with the policy.

Mr. GARDINER: Then they are in agreement with the objective, which is to prevent inflation, which is to keep down prices.

Mr. HANSON (York-Sunbury): We are opposed to the method.

Mr. ROWE: I rise to a question of privilege, Mr. Chairman.

The CHAIRMAN: What is the point of privilege?

Mr. ROWE: Perhaps I should say a point of order. The minister has stated that no one has risen in his place and said that he was against the policy of price fixing. Just before the dinner recess I doubted the government's policy and referred to it as this policy of price fixing.

Mr. GARDINER: The hon. gentleman before the dinner recess was doubting the policy of the agriculture department. This is the policy of the prices board.

Mr. ROWE: I doubted that too, and still doubt it.

Mr. GARDINER: Possibly as applied to farm products, but I think most of those who have taken part in the discussion either to-day or yesterday with regard to the prices board have prefaced their remarks with the suggestion that they did not want to be understood as criticizing the attempts that are being made by the prices board to control inflation.

Mr. HANSON (York-Sunbury): Nobody said that. That is the minister's interpretation.

Mr. ROWE: We agree with the objective but not with the method.

Mr. GARDINER: They are not particularly methods of mine.

Mr. ROWE: The minister is none too proud of them.

Mr. GARDINER: On each occasion when the setting of the ceiling prices has interfered with the returns which the farmers could obtain from the floors which have been set under the prices, the Department of Agriculture has taken issue with those who desired to set ceiling prices and has usually succeeded in having them rearranged to meet the situation created by the fact that we have floor prices. I state that only to indicate that the one set of products in the Dominion of Canada that did have a floor put under them before 1941 was agricultural products. While I agree that prior to 1941 those floors were not high enough, I call the attention of the committee and this country to the fact that those floors have been raised from year to year under the pressure of those representing agriculture in this house, on all sides of the house, I might say. They have been increased from year to year and are to-day at a level which, while not entirely satisfactory, is fairly satisfactory. I am quite sure that to compare the attitude which was taken in farm meetings and farm gatherings anywhere and by hon. members on the floor of this house prior to the last session with the attitude at present existing in Canada and in this house would convince any hon. member that something has been done in relation to farm prices which has made them more satisfactory than they were two years ago.

Mr. ROWE: There has been a war since then.

Mr. GARDINER: We were in a war even before that.

Mr. HANSON (York-Sunbury): Not much before.

Mr. GARDINER: Not much before, my hon. friend says. I am sorry if there is anyone in this house who thinks we have not been pretty much in a war since the fall of 1939.

Mr. HANSON (York-Sunbury): The minister said in March, 1940, that we would take the middle-road course.

Mr. GARDINER: I did not say that but I will discuss that with my hon. friend when he leads his party in the next election.

Mr. ROWE: The minister discussed it during the last election.

Mr. GARDINER: But not from the point of view my hon. friends think.

Mr. ROWE: From the minister's point of view.

Mr. GARDINER: The position of agriculture is pretty well understood. If we could pass these estimates, taking up the item of $5,400,000 which we began to discuss this afternoon and then go on to the different boards that have been set up under the agricultural supplies board, we might make some progress.

Mr. ROSS (Souris): I take it that when the minister was telling us the policies of the department as a part of the war effort he was not one of those whom the Minister of National War Services classed on Friday as isolationists. The minister skated very nicely round the question that was asked him by the hon. member for Acadia. I am very much interested in hearing the answer to that question, because, this afternoon, when the Minister of Labour was not in his place, I tried to deal with the question of farm wages, especially for harvest time, and the Minister of Agriculture said that that came under the Minister of Labour. The Minister of Agriculture did not say whether he was in sympathy with the government doing something to stabilize farm wages, especially harvest wages. When he was asked about ceiling-price control, he stated that that came under the jurisdiction of the Minister of Finance, not under his department.

The hon. member for Acadia asked the Minister of Agriculture the direct question whether price-ceiling controls were put into effect in opposition to the minister's stand, whether the minister was consulted on the matter and, if so, what was his stand pertaining to agriculture. I am very much interested in hearing the minister's answer. I think the minister should give us some lead at this time. It is only two months to harvest, when we shall be faced with a serious labour problem in western Canada, and we are entitled to some statement from the Minister of Agriculture. He has made a fine statement on the problems of agriculture. But we have not yet national selective service in operation for agriculture, and we have not parity prices for farm products in the third year of the war.

Mr. GARDINER: I do not want to be led away from answering the question and to be diverted into a discussion of parity prices, because that already fills two or three pages of *Hansard* of our earlier debate. To answer the question asked—I did not avoid answering it intentionally but did so inadvertently—the position last fall when ceiling prices were established was that prices of most farm products, in the form in which ceiling prices were set upon them, were considerably higher than they had been for some time previously. As a matter of fact, they bore a much closer relationship to the prices for the period from 1926 to 1929 than has been admitted to-night. The reason for stretching the basic period over a month was in order to take in agricultural products which were at some date in the period at the highest price levels they had been over a considerable period of time. It was quite understood then, and was so stated by the Prime Minister in announcing the policy, that certain farm products were affected by seasonal conditions; that others were affected by other conditions, and that further consideration would have to be given to them. Some of them have had further consideration. Further consideration was given to wheat during the early part of this year. Further consideration was given to beef during the last two or three weeks. Further consideration has been given to cheese since the time of the setting of that price. Consideration is still being given to butter. Wheat and other farm products including butter had not in that period reached parity levels, that is parity as it is understood by farm organizations across Canada. Further consideration has been given to those different farm products since that time.

I would say in answer to the question asked, that in so far as I am concerned personally I accepted the policy—I would not be in the government if I had not—with the understanding that these commodities would be further discussed, and they have been. With regard to some of them satisfactory arrangements have been reached. With regard to others, more discussion and considerations are still required and will certainly be given

to them by the prices board. In this, like everything else, there is no complete agreement on anything so vast as a price policy. You cannot get any two men to sit down and agree on the price of every commodity, and more particularly you cannot get farmers to sit down and agree as to what the ceilings ought to be under existing conditions. The thing has happened which always happens. We have discussed the question. If we could not agree on the first discussion, we discussed the matter a second or third or fourth time, and finally a plan has been worked out which as nearly as possible suits all the conditions. That has been done in connection with price levels on farm products, and it is still being done.

Mr. HANSON (York-Sunbury): The minister will agree, will he not with this theory, that when the price level was frozen it was frozen on an uneven basis qua primary products generally? That is really the accepted fact, is it not? The minister himself has spoken many times along that line and I am glad to hear that the government has some flexibility in this matter.

Mr. ROWE: Not much solidarity.

Mr. HANSON (York-Sunbury): Well, I am not trying to make a political speech. I just want to point out that when the price ceiling structure was set up, for some reason or another it had to be frozen from a definite period of time. That was in the fall of the year, and the new crops were coming on. With respect to certain products in my province, when the price was at its lowest point in the whole twelve months those products were frozen. That, I think, has been generally true all along. It is not quite a fair statement for the minister to make that we never objected to the policy. I have always felt that we could not allow the price structure to get out of hand, but I do object to the method that is being adopted. I say this further to the minister, that in order to maintain this structure all the way through, there is one complementary feature which will have to be adopted if he wants to have this thing rationalized, and that is a complete system of rationing. It cannot be complete without it.

Mr. GARDINER: I think that is a discussion which can much better take place when the minister to whom the board is responsible is here. I simply wanted to make clear the position as far as agriculture is concerned in relation to the board.

To answer the question which was put by the hon. member for York South (Mr. Noseworthy), I can only say that we have been following very closely the investigations which are being made in the United States with regard to the making of rubber from wheat and from other plants that may be grown on farms. I believe it will be within the memory of every member of this committee that prior to the war an international bureau was set up on which all countries were represented, so that countries like ours which are not carrying on investigations in connection with certain matters should have available at all times the information that is gathered in other countries. While this bureau cannot operate with the same freedom during the war as it did before, perhaps there is a greater exchange of information as between two countries like Canada and the United States than there was through the bureau before the war. We are getting whatever information is available in the United States from time to time. We have not yet gone to the expense of duplicating the experimental work which is being carried on there. I have not any doubt that if the development in the United States comes to the point that they use a considerable quantity of surplus wheat, a very considerable quantity of the wheat in this country will be required as well.

While I may not have all the information, I have not understood that it has as yet been definitely decided in the United States to proceed with a method of developing rubber from wheat. My understanding is that those who claim that they have developed a plan, and have placed that plan in general terms before a committee of the United States congress, have not yet demonstrated the feasibility of the plan in its entirety, and it is not yet being put into effect even in the United States as a practical method of producing rubber. But I think I can say this, that if it does become a means of producing rubber, and if conditions remain as they are in the world to-day, the people of the United States will be the first to want Canada to turn a very considerable part of her wheat into rubber. There is no commodity which is running short faster on this continent as a result of war activities than rubber, and any method which can be found in either Canada or the United States to produce more rubber on this continent will certainly be utilized by the governments of the two countries at the very earliest possible moment.

Mr. ROSS (Souris): I asked the minister if he as Minister of Agriculture would express an opinion as to the matter of agricultural or

farm wages being included under the price ceiling. While realizing that this is a function of the Minister of Labour, I think the Minister of Agriculture might give us some lead in this respect if he cares to do so.

Mr. GARDINER: I can only say this, that up to date no government anywhere in Canada has undertaken to control farm wages. I am not at all sure as to what this or any other government will do in the future, but I know there are extreme difficulties associated with setting wage levels for farmers, particularly at a time when, of necessity, there must be bidding for men in other places. I quite realize, of course, that if you want to go into planned, selective distribution of employees and tell everyone where he is to go, you can overcome that to a certain extent. But I have always wondered just how you will make a man hoe turnips on a farm if he does not want to hoe turnips. You may assign him to a farm and send him to a field, but there are some difficulties about directing men to jobs like farming and saying, "You must go there and farm", jobs that are not associated with the operation of a plant, where all men are working side by side at machines.

Mr. HANSON (York-Sunbury): I think there is a good deal of common sense in that. You cannot make a man work if he does not want to work.

Mr. ROSS (Souris): They are controlled for industry, are they not? Organized labour is controlled.

Mr. WOOD: I should like to make one or two observations. This debate has been going on for some time, and I have noticed that not all the men who have been participating are farmers, although they seem to have a very wordy knowledge of the industry.

Mr. GRAYDON: Do not criticize the minister in that way.

An hon. MEMBER: It is the lawyers he is thinking of.

Mr. GRAYDON: And the schoolteachers.

Mr. WOOD: I listened with interest to the observations of the hon. member for Dufferin-Simcoe, who seemed to be really concerned about the national income.

Mr. MacNICOL: He is a real farmer.

Mr. WOOD: Yes, he is a real farmer, and I like to talk to a man who understands my language. He was waxing eloquent about the national income of the farmers. If he will go back to 1492, in which the same figures are used as in 1942, so there may be some relation, he will find that the total national income was almost purely an agricultural income. The party to which the hon. member belongs has always waxed eloquent on what a tariff would do to develop secondary industry. There has been a great development of secondary industries in this country and naturally, in consequence of that, agricultural income will not be as high as it was in relation to the national income. It is not many years ago that the total production of our mines was only $100,000,000. To-day it is $600,000,000. Take pulp; this industry to-day represents $250,000,000 of our income. The same thing is true of other industries. Possibly when the hon. member for Dufferin-Simcoe was a beardless youth in knickerbocker trousers the total national income of Canada was much less in these secondary lines, and therefore I do not think the argument we have heard is a sound one. If agriculture has been able to maintain its income, we must remember that there is only one-third of the population of the dominion engaged in that industry, and therefore the national income derived from agriculture is divided among only one-third of the population whereas formerly it had to be divided among two-thirds. Therefore I am still inclined to the view that the average income of our farmers to-day is higher than it has been in the past ten or twelve years. I used to read *Hansard* when I was back on the farm, and I cannot recall that the hon. member for Dufferin-Simcoe was ever in the least concerned in 1932 when I sold my eggs at 8 cents, wheat at 42 cents, hogs at $3.25 and butter at 14 cents. He was not concerned then about the national income from the point of view of agriculture.

Mr. ROWE: The hon. member did not read *Hansard* closely.

Mr. WOOD: The hon. gentleman ought to be fair enough at least to say that we have gone a long way forward in the last ten years.

I was interested in the remarks of some hon. member with regard to farm sales. I am inclined to think that when a number of farm sales are taking place it shows a generally healthy condition in the community.

Mr. ROWE: Not if you close the farm.

Mr. WOOD: In the last ten years there were few farm sales, for the reason that any man with anything at stake had not sufficient courage to call a sale, because he did not know whether he would get enough buyers. I am of opinion that it is a fairly healthy condition.

Mr. CRUICKSHANK: I was the one who brought up the question of sales. What would the hon. gentleman suggest doing with a dairy cow if one could not get a milker to milk that cow? Would he sell it, or what would he do with it?

Mr. WOOD: I would get a milking machine.

Mr. CRUICKSHANK: Where would you get one, with priorities?

Mr. WOOD: There are still some for sale. At any rate, I would sell it to somebody else who had enough ambition to milk the cow. If there have been as many sales as my hon. friend has indicated, why is it that we have been able to increase production all along the line? Why is it that in the last year our marketings of beef cattle have been 20 per cent higher than they were a year ago and that the production of our creameries and cheese factories has increased? Processed-milk factories are also increasing production. As the minister so ably put it, the facts do not bear out the criticism that has been made. I think it is a wonderful achievement that, notwithstanding the fact that the farmers have contributed their sons to industry, we have been able to maintain production in Canada as we have done. I consider that the minister has had a reasonable amount of sympathy with agriculture, when one stops to realize that in the last year there have been subsidies to the industry from the taxpayers of Canada amounting to nearly $100,000,000.

Mr. CRUICKSHANK: To the dairy farmer?

Mr. WOOD: A fair amount has gone to the dairy farmer.

Mr. CRUICKSHANK: For summer-fallowing.

Mr. WOOD: That might be a good thing, too. I repeat, this government has had a reasonable amount of sympathy with agriculture when we realize that it has assigned, of the taxpayers' money, about $100,000,000 to 728,000 farmers, which means over $100 for every farmer. I still think there is something that can be done, and I rather approve what the hon. member for Stanstead said. The butter price is too low. But if the argument is that the price of milk for producing butter, the price of processed milk and the price of city milk should all be on the same basis, then I do not agree.

Mr. CRUICKSHANK: Who said that?

Mr. WOOD: Some members have done so.

Mr. TUSTIN: I made the statement, but I said "manufactured milk."

Mr. WOOD: Well, I use the words "processed milk" and the hon. member says "manufactured milk." I would say that if there is a difference of fifty cents between processed milk and city milk, and fifty cents still less for milk on the basis of butter, keeping the skimmed milk at home, that is somewhat on a parity. In the supply of milk to the city trade a great deal of expense is involved in the production for this trade. I have had experience of it. I know it takes more to maintain the standards for the city trade and it is worth practically fifty cents per 100 pounds and more. But I think the price of butter at thirty-five cents is lower than it should be, and I believe the consumer should pay the farmer for that product. It should not come out of the taxpayer, and my view is that we should eliminate subsidies as far as possible and see that the consumer pays for the products of the farm.

Another matter that was mentioned this afternoon is the fact that so much of our breeding stock leaves Canada and goes to the United States. We farmers in Canada are rather too modest, and possibly one of the difficulties from which our own industry is suffering is the fact that the man engaged in farming is too ready to damn his own profession, so that if there is any reason why he cannot sell his farm it is that he has advertised to the whole world that there is no money in farming. That may be the reason for lower prices of farms. As regards selling our breeding stock, I think that is a splendid market to have, for this reason. The average Canadian farmer is a better live stock man than the average United States farmer. That is because the Canadian farmer has more of the old British blood in his veins. The fact is that we compete with our United States neighbours in the large shows and bring back the red ribbons, and we can do so because we have superior cattle. We Canadians have built up a reputation for good stock. In spite of the fact that the United States is an immense agricultural country, they have never produced one breed of cattle there. The British breeder has produced about twenty breeds; we in Canada have produced one, which is not too bad.

Mr. MacNICOL: What breed is that?

Mr. WOOD: One in Quebec, the Canadian; it is one with purely Canadian characteristics at least.

Mr. CRUICKSHANK: What is the name of that breed?

Mr. WOOD: I say the Canadian. I believe they have a herd book; it is a distinct breed in Quebec.

We ship stock to the United States continuously, and that is a market we have a right to guard jealously. They pay us good prices. There is in my community a breeder of shorthorns, who sold over forty head to the United States at a price averaging over $560 each, which is an indication of the quality of the stock many of our farmers in this country breed.

We should not overlook the good things the minister has done in directing the policy of agriculture in this country. No matter how much we have we always want more, but I should not like to think the solution of our great problem to-day of winning this war can be achieved only by having high prices for our products. I believe every effort should be made—and I think this government has been reasonable in trying to safeguard the interests of the people in this matter—that we should not have our prosperity in time of war. Let us postpone that until peace time, and let us all share alike in the difficulties of the boys at the front. They are not asking for increased wages.

Mr. CRUICKSHANK: Are the manufacturers?

Mr. WOOD: If we can maintain a condition of affairs during war time that will not create the disasters that happened through the wild inflation which took place after the last war, then I believe our interests will be better protected and there will be less suffering while the war is on.

Mr. SENN: I have listened with a good deal of interest not only to the Minister of Agriculture but to the hon. member for Brant, whose home is close to mine. Hon. members on the other side of the house always like to refer to the times of depression in the thirties. They would lay all the blame for low prices on the government in power between 1930 and 1935. The minister to-night has patted himself on the back and blown his own horn to quite an extent in regard to present farm prices. It is a peculiar thing how, if the present administration is trying to raise prices and give the farmer a better deal, there was any need to impose a price ceiling. The minister has talked pretty well around that question; he has taken credit on the one hand for better prices received by the farmer—we all admit he is getting better prices than prior to the war—and at the same time he tries to justify the imposition of a price ceiling in order to keep prices down. I do not see how he can have it both ways. Then he spoke about the floor that the present administration had put under farm prices. If I might venture a suggestion, I would say that it is always the history in war time, as it was in the last war, that as soon as war is well under way, prices of farm products, as well as other products, rise to very high levels. I go further; I speak for myself only when I say that I have always doubted whether it was really necessary to impose the price ceiling at all. Looking back over the last war—and I lived through it; I was on the farm all that time—I have yet to learn where the rise in prices at that time did any particular harm. I know that to the farmers it did a great deal of good, because many farmers at that time laid by sufficient funds to carry them through the period of depression, without which funds they would have been in a grave state indeed.

Something was said about the national income. I am sure the hon. member for Brant will not say that while the farmers comprise some 35 per cent of the population of this country, they are entitled to only 10 or 12 or 14 per cent of the national income. Yet that is the situation as it exists and has existed for some time past.

Mr. WOOD: Is the hon. member prepared to say that all the income the farmer gets is from agriculture, that he may not get part of the income from other industries?

Mr. SENN: I say that looking over the figures given in the Sirois report for many years past, when a farmer on 100 acres of land gets only $400 to $600 actual annual income from his farm he is not getting sufficient to keep him and his family. It is not a fair balance between agriculture and other sections of the community.

I have no wish to carry on the debate, but I think the minister should not have taken quite so much credit for the higher prices which exist, because they would have existed in any event. I am certain that if there had been no price ceiling on farm products, there would be closer parity to-day between prices of farm products and prices of other commodities that the farmer has to buy.

There is no doubt that the labour situation on the farms to-day is serious. Recently a survey was made in my own county by the federation of agriculture assisted by officials of the provincial government. I have just received a second report which shows that out of 1,207 farms in the county, averaging 130 acres each, there was only an average of 1·2 male adults on each. That is a mixed farming community, and I say without fear of

contradiction that with practically one man to a farm it cannot be operated successfully to get the largest production that we should be getting in war time.

Moreover, the average age of those males was fifty-three years, showing, as the minister mentioned, that there is a large number of farms where the sole operator is between sixty and seventy years of age. In times of peace it may be that we have kept up production through having implements and mechanized farming and have been able to increase production along certain lines; yet that cannot continue indefinitely. The harvest is coming, and it is going to be very hard indeed under conditions as they are to-day. The minister and the government will be well advised to give careful consideration to means to remedy the labour situation at least during the period of harvest. After all, we are all anxious to see that production is carried on. We do not want to have it fall down, particularly in war time. I am afraid, however, there will be a good deal of waste on the farms in Canada this summer, and particularly in harvest time, unless the labour situation is remedied in some way or another.

Mr. SLAGHT: Would the hon. member permit a very friendly question? I sympathize with a good deal of what he has said. What would he suggest as a remedy for the shortage of labour on the farm?

Mr. SENN: I am not prepared to say just what that remedy should be. Perhaps the time has to some extent gone by when the remedy should have been applied. I do not agree with the minister's statement, made a little while ago, that if there had been selective service at an earlier stage, men could not have been induced to stay on the farms to carry on operations there. I know a great many of them would be more useful on the farms than they would be in any other place they could be put.

Farming has become an industry where skilled labour is needed, just as much as it is in the factory or anywhere else. One skilled labourer on the farm can do more work by far, and do it more efficiently than two or three unskilled men can do. I do not wish to go back to discussions which have taken place earlier, but it seems to me that while perhaps the voluntary system of enlistment has not fallen down in getting men to enter the active service, it has fallen down very badly in taking men out of more industries than agriculture—although I may be speaking of agriculture particularly at the moment. It has taken men out of those industries who would be more useful in industries than they are to-day in the active service.

Mr. McNEVIN: With respect to the matter of boards, which includes the dairy products board—

Mr. GARDINER: The hon. member suggests that we are now dealing with boards. Is it understood that we are now to proceed to the five boards, one by one? I agreed this afternoon that we would deal first with the item of $5,477,760 contained in the upper items, and that when we had completed those we would proceed to the others.

Mr. SANDERSON: This afternoon I asked one or two questions in connection with flax. At that time the chairman thought my questions were not in order. I should like to put them now. The minister stated that there were twenty-five or thirty flax mills in the combined provinces of Ontario and Quebec; is that correct?

Mr. GARDINER: That was my statement.

Mr. SANDERSON: Has the minister the number for each province?

Mr. GARDINER: No; I have not.

Mr. SANDERSON: Would he get that information for me, and communicate it to me by letter?

Mr. GARDINER: I will do that.

Mr. SANDERSON: Is there any price set for flax seed?

Mr. GARDINER: Yes; there has been since the beginning of the war. I cannot say exactly what it is, but it is around $5 and up, depending upon the grade.

Mr. SANDERSON: I understand that some arrangement has been made to finance those who own flax mills so that they may purchase modern machinery and equipment; is my information correct?

Mr. GARDINER: The facts are that we did assist two or three persons or companies —one in Quebec, I believe, and two in Ontario—before the war, to get certain equipment for their plants. But since the war started we have taken a machine, of which I believe there was only one in the country, dismantled it and made drawings of the parts. The Frost and Wood company are now making those machines for us, at a cost of about $10,000 each. Ten of them have been made up and are in use, and five others are to be put into use. We have about fifteen at the present time. The government has the machines made, and they are sold to the companies desiring to use them.

Mr. REID: Are they pulling machines?

Mr. GARDINER: No; scutching machines.

Mr. SANDERSON: Is the department registering a claim against those scutching machines?

Mr. GARDINER: Where possible, the machine is being sold outright, and in other places it is sold on terms.

Mr. SANDERSON: Are there any flax companies or individuals operating flax mills, and owning this modern equipment, which have been financed by the minister's department?

Mr. GARDINER: I should think some of the machines in use by certain companies have been perhaps partly financed by the department, but I am not in a position to give full information to-night. I can get that information. If the hon. member would put a question on the order paper, I would be pleased to answer it.

Mr. SANDERSON: I would be satisfied if the minister would be good enough to write me a letter setting out the information.

Mr. GARDINER: Very well.

Mr. BOUCHER: Before turning to a discussion of boards under the Department of Agriculture may I draw to the attention of the committee one or two points which occurred to me while the minister was speaking this evening. If I understood the minister correctly, he stated this evening that those who could fully pay for a farm, or those who inherited one free of debt, could maintain an honest living, but that those who were obliged to pay off a substantial debt on their farms were in an entirely different position. I should not want the feeling to be created outside the house that such was the view of hon. members, or that we believed that the farmer must have a big capital investment, with his stock and machinery all paid for before he can make a subsistence, or live on the farm. I consider that the farmer to-day, and particularly the farmer in eastern Ontario, has been handicapped in a very great way in the past ten or fifteen years by virtue of the falling down of the net revenues on his farm and of the increasing of the debt.

The mere subsistence of the farmer in Canada is not good enough at this time. Only yesterday the Minister of National War Services stated that in eastern Ontario his department had had to raise the quota because the supply of available men between twenty-one and twenty-eight, and even up to thirty years of age, had been just about exhausted.

The hon. member for Parry Sound (Mr. Slaght) inquired about a cure for the shortage of farm help. I believe his question was partly answered by the hon. member for Haldimand (Mr. Senn), when he pointed out that to-day the farm helper is not an inexperienced or unskilled labourer, but that he is one who to a very great extent must be an expert in his own occupation. He must be accustomed to agricultural work and agricultural management.

Throughout eastern Ontario and most definitely in my own constituency the drawing of men into the army and the volunteering of men to serve in the army have left an acute shortage of labour. As a matter of fact, many of the auction sales in my constituency are on the properties of people of mature age whose young sons have gone into the army, whose daughters are active in war services and who are left with their herds of dairy cattle, beef cattle, hogs or flocks of poultry without sufficient help to carry on. If that situation continues for any length of time, it will prove a serious detriment to the whole agricultural industry. I believe the minister has the interests of the farmer at heart, and he should put forth greater efforts to keep on the farm those who will be the farmers of to-morrow. He has said that we could sell more bacon, more eggs, more cheese, more butter and more beef if we could produce these commodities. Is that not proof that conditions of agriculture are not such as to induce our young people to stay on the farm and produce in the quantities required?

I should like to refer briefly to the price-ceiling policy. These price ceilings were set in the fall of the year, at a time when the farmers had disposed of large portions of their bacon, of the bulk of their production of eggs and almost all of their production of cheese and a great percentage of their production of butter and beef. There could hardly have been a less advantageous time at which to set prices than immediately after the farmer had sold his commodities and before the middleman, the wholesaler, the retailer and the broker had disposed of theirs. I think more will have to be done to reconcile the farmers of this country to the advantages of the price ceiling.

More attention should be given to the possibility of advancing agricultural pursuits so that we can live up to the requirements of quality which are required for the export markets. We should strive to hold the markets that we may obtain by reason of the war, and one way of doing that is to maintain the quality and quantity of our production at the highest possible level.

Mr. PERLEY: I believe we might say that this has been a field day for the farmer. As the hon. member for Haldimand (Mr. Senn) has said, this afternoon and evening we have heard some interesting discussions as well as the statements made by the minister. Some constructive suggestions have been made. Reference has been made to the sale of farms, and in this connection I agree with what the minister has said. I am one of those who believe that a good farm—500 acres or three-quarters of a section in the west or two or three hundred acres in the east—will prove to be one of the best investments a man could have after the war, should the war continue for another two or three years. Much will be expected of our farmers in the reconstruction period. The minister gave some interesting figures which go to show that the industry will be in position to meet its obligations at that time.

We have been discussing that portion of the $2,000,000,000 appropriation which is to be devoted to agriculture. The greater part of this amount of $11,042,281 is to be used to encourage diversified farming in Canada. We must encourage that type of farming, even in western Canada. Our climatic and soil conditions vary, and this type of farming could be made successful. Other suggestions have been made with reference to the stabilization of the prices of dairy and other products. This is a splendid principle to apply to the prices of all farm products in order that the producer may know where he gets off at, so to speak, and have some assurance that he will get a fair return for his labour. It is agreed that agriculture is as much a war industry as any other industry. We have been asked to increase our production to meet the demands of Great Britain. The minister has a most difficult task, and I have no doubt that he must face some difficulties even in the cabinet. This setting of war-time prices has aggravated the situation and no doubt has increased his difficulties.

There has been a considerable amount of repetition in the discussion to-day. When the billion dollar gift was before the house questions were asked of the minister, and to-day many of those questions have been repeated. I have no doubt that when the minister's estimates are before the committee there will be further repetition. I do not think that $11,042,281 out of a total appropriation of $2,000,000,000 is too much for agriculture. There are only three or four of these items that need much explanation, and the minister has explained them. The amounts required to carry on the different administrations are, I think, a little out of proportion. The minister's department is so organized, with experts at the head of the different branches, that this work could have been done in the department, perhaps with some increased office staff. The minister gave a most interesting statement in trying to justify these expenditures.

Another item is to provide for a programme to encourage the production of essential war supplies. The minister referred specially to the amount used in advertising in order to encourage production. This advertising was done in the daily and weekly newspapers, but in my opinion the best medium of advertising to encourage production is the price obtained for the product. If you have a parity price, production will be increased. But I believe we can leave that problem to the minister to overcome.

Commodity costs to the domestic producer are too high to-day, and labour is out of line. I am not saying that labour should not have just treatment and a fair price, but I have figures here published by the Searle Grain company showing that labour costs are altogether out of line with the price the farmer is receiving for his products, and some adjustment must be made. Wheat at ninety cents is 30 per cent below the parity price, while labour is 42 per cent higher, taking the year 1913-14 as the period for index prices, so it is obvious that some adjustment must be made.

We are taking a register of the unemployed between the ages of sixteen and seventy, and when these figures are compiled as at May 31 I trust that the minister will make use of them to organize labour to take care of the harvest requirements this fall, so that the farmer will no longer be worried over a possible shortage of labour. The minister this afternoon referred to the encouragement that has been given to farm women's organizations to carry on their work, and the other day in the house I discussed the part that women and girls are playing in farm production and the greater part they could play. But to-night I want to stress the importance of the minister working in close cooperation with the Department of National War Services, so that when the unemployed register has been completed, the man- and woman-power that is available and not required in the production of essential munitions of war will be organized in order that there will be no shortage of labour in harvesting this year's crop. I am getting letters daily, and I know the farmers are beginning to worry over labour, particularly for harvesting. It may be a difficult matter to deal with, but I know the minister will take

it in hand, and I trust he will give the farmers assurance that there will be no shortage of farm labour this fall.

I have a great many questions to ask but, as the ground has been pretty well covered this afternoon, I shall postpone them until we come to the other items.

Mr. BLACKMORE: Just a word or two before we close the night's work. After the minister finishes giving one of his fine outbursts, everything looks so rosy that one might believe that the situation in respect to agriculture in this dominion was perfect. But it is far from perfect. I think the minister himself recognizes that.

There were two or three thoughts which came to my mind while the minister was speaking. The first was this. Does the minister and do those who are around him have any conception of how much agricultural production they really want in Canada? Have they any idea how many hogs they would like to see Canada produce, and how many cows, and how much butter and cheese? Have they any idea of the limit of Britain's potential consumption, and whether or not Canada could fill the needs of Britain if she set herself about it, in addition to what Canada would herself need? Have they any idea how much Canada would be short of her maximum production after supplying all potential British needs and all potential Canadian needs?

I know this question is not easy to answer, but it does seem to me that with the number of skilful experts who are at our disposal we ought to be able to come somewhere near to forming an estimate of Canada's potential capacity, considering the law of averages. Of course we do not know whether we are going to have a wet year, for instance, which will destroy a large part of our production, or perhaps a dry year which will destroy much of our production, but there must be a law of averages covering a period of ten or fifteen years, by reference to which it ought to be possible to estimate with some measure of accuracy the potential capacity of Canada to produce. If it is found that Canada's capacity to produce wheat, after we have allowed for the production of all the oats, barley, flax, rye, and all the other things we need exceeds what Canada requires to supply the British market, the Canadian market and any other markets that may be available, considering the question from the point of view of resources and man-power, has the minister taken any steps whatsoever to decide how many men he could spare off the farm?

Word coming to me from my constituency and other parts of western Canada alarms me because of the number of men who are being taken off their farms, men who are A-1 producers. Right now I am working on five distinct cases, in each one of which the production of probably a 300-acre farm is in jeopardy this year, and probably will continue to be so for two or three years. Five cases do not sound very much, but I presume that is only one-tenth of what is actually going on in my constituency.

If that is going on generally, and if what the member for Fraser Valley said with respect to the slaughtering of cattle and what the hon. member for Leeds pointed out applies to many other parts of Canada, there is going on over this country a destruction of our capacity to produce which is alarming. We cannot allow a good dairy cow to be slaughtered and recover from the effects of that slaughter perhaps during this war. I laid it down as a principle two years ago that the government should be seeing to it that there is no further slaughter of female breeding stock, and that should apply not only to cattle but to hogs and sheep unless we are sure that we have a greater productive capacity than we need. It is a very, very serious matter when a herd of dairy cows are sent to the slaughter and destroyed when we are in danger of a shortage of butter, for we cannot replace them in three years, and probably never. If there is a large number of farms that are going into semi-production; if good men are being taken off the farm who know how to run a farm and love the farm and are trained to it, men who cannot be replaced, and if we are losing by the destruction of a good deal of our live stock here and there, then it is a very serious matter. If demands should be made upon us, by reason of intensified submarine warfare in the Atlantic or from some other cause, to increase our production within two years, it would then be just too bad.

All the wringing of foolish hands would not do a bit of good. We have enough to wring foolish hands about in this country already. As the hon. member for Fraser Valley pointed out, with almost unbelievable stupidity we have neglected the development of our sugar production, with the result that, in one of the best sugar-producing areas on earth, we have had to ration sugar. That is to the credit of this government and its wonderful foresightedness. The government can very easily run into a good many other shortages because of the lack of foresight to look ahead. I am alarmed at things like that occurring.

The hon. member for Dufferin-Simcoe mentioned chickens. I cannot understand, if the

need of eggs were as great as I was led to believe it was, how we can afford to have a single pullet in this country not producing.

Mr. GARDINER: How would you get the eggs over?

Mr. BLACKMORE: In the first place, you have to have the eggs. It is certain you cannot get them over if you do not have them.

Mr. GARDINER: We can get the eggs.

Mr. BLACKMORE: Can you get all that are required?

Mr. GARDINER: We are getting them, and at prices which most farmers do not think are high enough, simply because there has been at times a surplus.

Mr. BLACKMORE: I am afraid the price is not high enough. There may be a surplus one year, and the next year there may be a shortage. Our whole method of approach with respect to agriculture at the present time seems to be hit or miss. As the hon. member for Fraser Valley or some other hon. member pointed out this afternoon, no man knows where he stands.

Mr. GARDINER: We are sending forty-five times as many eggs to Britain as we did in the year before the war.

Mr. BLACKMORE: That is not the question. The question is, are we sending as many eggs to Britain as Britain needs?

Mr. GARDINER: We may not send as many as she needs, but we are sending as many as we can arrange to ship.

Mr. BLACKMORE: If we do not have them, is it not time that we got them?

Mr. GARDINER: If you cannot send them over, or consume them here, why waste your time in producing something that cannot be sent over there?

Mr. BLACKMORE: How do you know that you will not be able to send them over in a month or two?

Mr. GARDINER: We know by experience.

Mr. BLACKMORE: Surely we do not expect to have this Atlantic war remain static, do we?

Mr. GARDINER: No.

Mr. BLACKMORE: While I do not wish to be too critical, I think we are drifting too much in agriculture, and I am in close contact with a good deal of agriculture in my own constituency.

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Mr. GARDINER: We have drifted very close to that top line the hon. member was talking about a few moments ago.

Mr. BLACKMORE: There is a great shortage of eggs in Britain.

Mr. GARDINER: Of course. There is a shortage of wheat in Ireland, too.

Mr. BLACKMORE: I do not think the minister needs to worry about sending the eggs over. If I conceive the minister's task aright, it is to get the eggs, and leave it to somebody else to send them over. If they have not the ships to take the eggs over, that is somebody else's worry. While we are discussing eggs, it is our worry to see that we get the eggs, and then to see that we have the means of processing the eggs, so that they can send them across. Have we that? If we have that, all right; then probably, as far as we are concerned, our egg worry is over.

As I say, I believe that we are drifting too much. There is too much uncertainty. I think it was a year ago that I argued that the price of eggs should be fixed at a figure which would be remunerative to the farmer and that he should be guaranteed that price for two years. Someone will ask "Where is the money coming from to pay for that?" Well, that is another matter, but the important thing for us is to get the eggs, to be sure we are going to get the eggs, plenty of them, not only for Britain but for ourselves. We will take care of the rest of it after that.

From the remarks the minister made I was a little uncertain as to whether he had an idea of how many eggs and how much butter and how much cheese and how much of various other things he really wanted.

Mr. GARDINER: I gave the figures this afternoon.

Mr. BLACKMORE: You really wanted them?

Mr. GARDINER: We want 1,500,000 cases of eggs for England this year.

Mr. BLACKMORE: But you are not sure that you are going to get them?

Mr. GARDINER: We are pretty certain we can get them, yes. Britain cannot ship them as shelled eggs; we have to dry them.

Mr. BLACKMORE: If you wanted a third more, could you get them?

Mr. GARDINER: Britain has not said that she wants a third more.

Mr. BLACKMORE: I got a statement from the minister; it is difficult in a long speech like that to recall all he said, but

he gave me the idea that he could sell all we could produce of a number of commodities. I believe he named about seven, including eggs, cheese, butter—

Mr. GARDINER: Not butter. We are not selling any butter in Great Britain.

Mr. BLACKMORE: The minister named a number of commodities of which, he said, we could sell all we could get. That is fine. If we can sell all we can get, let us get all we can sell—which is an entirely different matter, and I say that we are falling down in the matter of getting all that we can sell.

Mr. GARDINER: Will you produce all that you can sell without putting any men in the army or any men in the munitions plants?

Mr. BLACKMORE: Well, now, the minister's question has raised the matter I started talking about at the beginning. The very first thing for us to know is, taking eggs for instance, how many eggs do you want in Canada?

Mr. GARDINER: One million five hundred thousand cases.

Mr. BLACKMORE: Will you be content to stop right there and produce no more than that for next year?

Mr. GARDINER: We do not expect to ship any more this year.

Mr. BLACKMORE: But if you can get more next year, you will take them?

Mr. GARDINER: We will find that out when dealing with next year.

Mr BLACKMORE: You see it is all uncertain. As long as you do not know how many eggs you want, how do you know how many people should get to work producing eggs? The same is true with respect to selling butter and cheese. How do you know how many men you can spare from the farms; and if you do not know how many you can spare, how do you know when you have taken the limit?

As I have sat here and listened to the discussion on the statements of the Minister of National War Services, the Minister of Munitions and Supply, the Minister of National Defence, and various other ministers, I have been impressed with the fact that nobody seems to have any idea definitely where we are going. We seem to be getting the whole set of ministerial departments interlocked and dovetailed with each other until there is just a sort of run-around and nobody knows where he stands. That is bad business. I think something ought to be done before very long, or we are going to suffer. We do not know how many farmers we can support.

As I said a minute ago, I am alarmed at the number of first-class farmers who have gone out of my constituency, men who cannot be replaced in ten years. If they are needed in the army more than they are needed on the farms; if they are needed in the munitions plants more than they are needed on the farms, all right; it is good business to put them there in the army or in the munitions plants. If that is not the case, it is bad business to put them there. If no one is at work determining how many can be spared for these purposes and how many are needed on the farms, the whole country is adrift with respect to its economy. That is just the impression I have of our agricultural situation in Canada to-day. It is adrift. We do not know where we stand.

The minister says that we are getting much more production, but one thing he did not allow for, in his fine speech—and he gave a very fine speech—is the tremendous amount of production the farmers are bringing forth for patriotic reasons.

Mr. GARDINER: Well, I have said that many times.

Mr. BLACKMORE: But there is no way of telling how long that patriotism will last.

Mr. GARDINER: I have answered all these questions, too, twice this session.

Mr. BLACKMORE: Yes, and probably we shall ask them a great many more times, because we are far enough from a satisfactory answer yet. The amount of suffering which is going on in various parts of this country in agriculture is much more than there ought to be. The fact mentioned by the hon. member for Acadia, that ten cents a dozen is the price of eggs, first-class eggs, in many parts of Alberta, in a country which is at war, and needs food, is almost unbelievable. I have a statement from Saskatchewan to the effect that in many rural areas in that province the price to the producer at this time is ten cents. What conceivable encouragement is there for a man to raise chickens? We are adrift with regard to eggs. I am not sure about butter, but it seems to me the price is altogether too low. I have not been following in detail the prices, but from what was said this afternoon, there must be grave discontent in the matter of butter; all too soon it will take the form of a lack of butter production. That is the danger. Farmers will have to quit producing butter.

If I gathered rightly, these would be the criticisms I have to offer. In the first place, no one seems to know where we are going and what we want, and no one knows how to arrange our man-power so as to get what we want. Furthermore, there is lack of organization. The farmers, I find, do not know—

Mr. GARDINER: They have produced what we have asked for every year since the war began, and they are doing it this year.

Mr. BLACKMORE: The average farmer is figuring this way. He is trying to keep his head above water, and whatever looks as though it might give him a little more income he will produce. Naturally he depends upon what the minister says, with regard to the production which he needs, as to what he should produce. In many instances, however, as someone said this afternoon, the farmer does not know whether he will make a five-cent piece from his production after he has accomplished it. He simply makes the attempt reaching out like a drowning man; and that is true respecting a good many types of production. As to flax, I have not gone into the matter, but I have seen plenty of flax produced in my area. Whether it is the kind the minister wants I do not know, but certainly we can produce flax here. Perhaps it is just for seed, but it is not conceivable to me why we could not produce all the flax needed in Canada, or all the soya beans we need, if we went about it properly, paying such a price to get the flax or the beans that the farmers will feel safe in devoting themselves to the production of these commodities. I would say, therefore, in spite of what the minister said, that there is not enough coordination and not enough certainty as to what we want, where we want our man-power, to what extent we want it replaced by woman-power, how we shall organize our woman-power in order to bring the forces of that power to bear where we want it to be effective. The Department of Agriculture is likely to be one of the great sufferers. The first thing we know, we shall have gone too far and we shall be short of agricultural products in Canada, one of the richest countries in the world in agricultural capacity.

One other thing is important in summing up. The minister's statement that we can sell all that we have of certain commodities does not show the right attitude. I say that the attitude should be to produce all we can sell. One further observation. From what I hear across the floor of the house, the government seems to have too much anxiety as to what it will do with a little extra agricultural production if it gets it. The whole Department of Agriculture seems to be terrified for fear it will have a little too much honey or sugar or wool or some other product —apples, for instance. It does not know what to do with any extra product if it cannot sell it abroad. That thinking is Rip Van Winkle thinking.

An hon. MEMBER: There is certainly a lot of it in Alberta.

Mr. BLACKMORE: It is high time the minister gathered round him a number of men who have the capacity to see to-morrow instead of the day before yesterday. There must be a reorganization. The minister must be listening to the Prime Minister quite often indulging in those beautiful outbursts of his about the new order. Does the minister believe in a new order? If he does, what does he conceive that order to be like?

Mr. GARDINER: Not Social Credit.

Mr. BLACKMORE: That is exactly why the minister is a Rip Van Winkle. He will sit in the presence of a solution of his problems; he will sit with the remedy before him, and die from the disease rather than take the medicine. I have seen people just as simple as that. There has to be a new order, and in the new order we are not going to be worrying very much about having more of a certain commodity than we need. Our only anxiety will be to be sure that we have enough. So I say that the whole attitude of the Department of Agriculture must be changed. It must stop worrying about having too much and having the capacity to produce too much. I think the minister should advise his advisers to keep that in mind. If they do not, they will be faced with a situation similar to the one with which we are confronted with regard to sugar, and they will be doing it over a wide area. It looks impossible; people say it cannot happen here. Well, the first thing we know it will have happened here; but what to do about it the government will not know. Let the minister be wise and look into the future. Let him not be afraid of producing too much.

The secret of getting plenty of production is to be found in the application of four principles. The first is a fair price, one at which a man can make a profit, and that price should apply to every single needed agricultural product in this country. If we do not want any more eggs, let us forbid people to produce eggs; let us refuse to buy them. But if we want eggs, then let us pay for them a proper price so that men can afford to produce them.

The same is true of butter and honey and each of the other commodities we want. Let us determine the price at which a man can produce goods, live by his labour and pay his debts and his obligations, and then let us pay him that price. If we cannot sell the product, never mind; it can be paid for. All we have to do is to look into the future a bit. We can see how it can be done.

Some hon. MEMBERS: Oh, oh.

Mr. BLACKMORE: Rip Van Winkles again. We are afflicted with the Rip Van Winkle mentality in this country and in this parliament. After we have a fair price, the next important thing is a sure market. A sure market has to be guaranteed by the government. You are never sure that you will be able to sell to England or to Ireland, but you are sure that the dominion government can take the product. New Zealand is doing it. New Zealand is not as strong economically as Canada, and if she can do it there is no reason why Canada cannot. The next thing is the guarantee of stability for two or three years. If a man is to put his money into dairy cows, for instance, he must have some guarantee of prices for two or three years; otherwise, how has he the assurance that he will not lose his money? The fourth important thing is a line of credit with which he may buy the means of production. If a man is in a good position to produce dairy products, for example, he should be enabled to get dairy cows and establish a dairy farm. Those four principles will guarantee production, and anything short of them will not.

First, the government must find out just where it is, to learn what it wants, when it wants it and how to get it, in agriculture, industry and the army; work the problem out in an accurate way. Second, it must not be afraid of overproduction. Third, it should set up such conditions in this country as will bring about maximum production. Men are prattling in this house and in the country, over the radio and through the press all the time about mobilizing Canada's resources; we have not scratched the surface of Canada's resources, and while we follow the policy being followed at present we never shall. It is possible, however, to organize for complete mobilization if we follow the right method. Let us determine what that method is and apply it.

I shall reserve what else I have to say until a future time.

Mr. CASTLEDEN: When the minister is making his statement will he include, among the information to be given, a statement as to the extent to which the government is controlling the packing industry to see that there is no undue exploitation of those who produce? We understood from the minister this afternoon that he was supplying machinery to companies throughout the country to carry on the process of drying eggs; are the prices paid to the processors in line with the prices they are paying to the producers?

The whole matter of agriculture, as has been said several times this evening, requires the very best thought that can be given to it. Coming from Saskatchewan where we know the dire condition of the farmers with regard to the debt situation, one is alarmed to find that in the eastern provinces, as in practically every province across the dominion, even in the heart of some of the finest agricultural areas, for example the Niagara peninsula, farmers are still labouring under a load of debt which makes it almost impossible for them to carry on. This nation is failing its agricultural people, and a nation that is doing that is heading in the wrong direction. We are beginning now to see evidence of a great and world-wide scarcity of agricultural products; and unless we prepare our house now, we shall be found very much wanting in the days immediately ahead.

Mr. HARRIS (Danforth): Would the minister include in his answer a statement of what progress has been made with regard to sunflower seed and sunflower seed oil?

Mr. GARDINER: As members of the committe will recall, we agreed earlier in the discussion to deal with all matters that come under the last five items. The questions which have been asked come under one or another. The questions asked by the hon. member for Yorkton come under the special products board, which is the third item. If we could pass the $5,477,760, all the other matters come under the last five items. We could discuss those to-morrow.

Mr. HARRIS (Danforth): This item would come under the special products board?

Mr. GARDINER: Yes.

Mr. HARRIS (Danforth): Perhaps the same statement would include flax seed.

The CHAIRMAN: It is agreed that the discussion will be closed as far as the agricultural expenditures detailed by the Minister of Finance yesterday with respect to the first series are concerned.

Mr. GARDINER: Down to the five and a half million item.

Progress reported.

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

Wednesday, June 3, 1942

The house met at three o'clock.

DEFENCE OF CANADA REGULATIONS

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Hon. J. E. MICHAUD (Minister of Fisheries) presented the first report of the special committee on the defence of Canada regulations, and moved that the report be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN FORCES—PARTICIPATION IN PATRIOTIC CAMPAIGNS

Mr. CHURCH:

1. What is the direct loss in man-hours and petrol in requiring soldiers, men and women's army, munitions workers and others to be used in patriotic campaigns?

2. Are any steps being taken to prevent this further cost and added expense to the victory and other loan campaigns?

Mr. RALSTON: It would be quite impossible to provide an intelligent answer to this question. In order to attempt an answer we would have to consider the Red Cross campaigns, war loan campaigns, war savings certificate campaigns, recruiting campaigns and all sorts of special occasions on which the army are asked to furnish personnel and equipment.

Mr. CHURCH: The practice referred to in the question is being carried out in England to save the expenses of these loans. An estimate was given to parliament.

Mr. RALSTON: The practice has been carried out here. This is being done at the insistent request of representatives of these organizations. I remember particularly a delegation that came down from my hon. friend's city in connection with the war loan committee and made representations that what was being proposed was not sufficient, that we should do a good deal more in providing personnel and equipment, which we did. To estimate the number of gallons of petrol and the number of man-hours used in connection with these matters would be quite impossible.

Mr. CHURCH: Cut out these Hollywood methods of selling bonds, and save expense.

Question dropped.

CANADIAN FORCES—EXPORTS OF BEER AND LIQUOR TO FORCES OVERSEAS

Mr. CASTLEDEN:

1. Have any permits been granted to navy, army and air force institute to export beer and spirituous liquor to Canadian forces overseas?

2. If so, what are the amounts of each shipment so permitted during 1940 and 1941, respectively?

Mr. MacKINNON (Edmonton West):

1. The Navy, Army and Air Force Institute is the canteen organization of the United Kingdom armed forces. No information available as to what extent the Canadian forces use their facilities, and no permits have been issued to them for the exportation of beer and spirituous liquors for the use of Canadian forces.

2. Answered by No. 1.

QUESTIONS PASSED AS ORDERS FOR RETURNS

LEAGUE OF NATIONS

Mr. CHURCH:

1. What has been the yearly cost to Canada of the League of Nations since its inception to date?

2. Where are its head offices and who are the officers in charge?

3. Does it still function, and how was the vote for 1941 spent?

MILITARY SERVICE—CANADIANS IN UNITED STATES

Mr. MacKINNON (Kootenay East):

1. How many Canadians resident in the United States have been made subject to the draft laws of that nation?

2. How many Canadians resident in the United States have been actually drafted for service in the armed forces of that nation?

3. Are such persons given the right to elect to return to Canada and enter the armed forces of Canada?

4. If so, how many have done so?

5. Are those who do return to Canada automatically enlisted in the active armed forces of Canada and thus liable to service overseas or in any theatre of war?

PLEBISCITE—COST OF TAKING VOTE

Mr. BLACK (Cumberland):

What were the costs of taking the plebiscite vote, (a) printing, (b) advertising, (c) other head office expenses, (d) expenses in constituencies, (e) total payments to date, (f) estimate accounts not paid, (g) total estimated costs?

CANADIAN ARMY—SUMMER CLOTHING

Mr. CHURCH:

1. When will summer clothing be issued to the men of the army in training at (a) Camp Borden, (b) Toronto exhibition grounds, (c) Petawawa, (d) other army camps in military districts 1, 2 and 3?

2. How many are now without the same in each of these districts?

3. What does the summer issue consist of?

R.C.A.F.—SUMMER CLOTHING

Mr. CHURCH:

1. How many members of the Royal Canadian Air Force at Toronto, Trenton, Camp Borden, Ottawa and other camps in Ontario, have been issued summer clothing and uniforms?

2. How many have yet to be issued such summer clothing?

ONTARIO MILITARY TRAINING CENTRES—C.O'S AND DEPARTMENTAL HEADS

Mr. WINKLER:

1. At the R.C.C. signals training centre at Barriefield, at the R.C. ordnance corps training depot at Long Branch, and at the army trade school at Hamilton, who are the commanding officers and departmental heads?

2. What are the technical qualifications of each?

3. What were their pre-war occupations in each case?

MOTIONS FOR PAPERS

EMPIRE WAR CABINET

Mr. CHURCH:

For a copy of all correspondence, letters, cables, telegrams, orders in council, reports, other documents, between the government of Canada, or any officer thereof, and the government of Great Britain, or any officer thereof, or any other dominion, regarding the setting up of an empire war cabinet, similar to that in the last war, in relation to joint action, and a united front in the conduct and strategy of this war, by Great Britain and the dominions

Mr. MACKENZIE KING: Mr. Speaker, to comply with this request would necessitate obtaining the consent of all the commonwealth governments concerned to table the correspondence, which is of a highly confidential character, and I do not think the request would be met if it were made. In the circumstances I do not think it would be in the public interest even to make the request at the present time.

Mr. CHURCH: May I respectfully suggest to the Prime Minister that he reconsider this? Australia's Prime Minister has asked for it for a year. Recently he has complained with respect to conditions in the far east, that decisions have been made against her interests without Australia or the other dominions being consulted. Unless there is an empire war cabinet there is no joint consultation for united action in this war.

Motion dropped.

CANADIAN FORCES—ENLISTMENTS IN FIRST FIVE MONTHS OF 1942

Mr. HAZEN:

For a return showing the number of men who have enlisted in, (a) the navy, (b) the army, (c) the air force, during each of the first five months of 1942.

LABOUR CONDITIONS

ALASKA HIGHWAY—WAGES PAID TO ALIEN LABOURERS

On the orders of the day:

Mr. GEORGE BLACK (Yukon): Mr. Speaker, I would like to ask a question of the government, and particularly the Minister of Labour, and in order that the minister and the government and the house may understand how important the matter is, I should like to say a word or two in advance, not to make a speech at all, but to explain why I ask the question. It has to do with the labour situation which has arisen in connection with the construction of the Alaska highway. The Alaska highway is being built primarily for the defence of Alaska, but it is really a much more important project than that because it will serve in the defence of the whole northern American continent. The United States is building the road and paying the cost. Canada is cooperating with the United States in every way in hastening the completion of that project. The Canadian customs laws, for example, have been set aside and goods even remotely connected with this enterprise are allowed to enter Canada duty free. The Canadian immigration laws have also been suspended to allow alien labour to come in to work on that road, and I have no objection to that.

The United States army engineers are in process of building and have to some extent completed a pioneer road over the selected route. They are now being followed by United States contractors who are constructing a permanent highway along the same route, and they are bringing into Canada alien labourers to work on the road. I do not object to that. But at the request of Canadian employers of labour in the Yukon the national war labour board raised the rate of pay for common labour in Yukon to 75 cents per hour, plus cost-of-living bonus. The alien contractors in the Yukon, ignoring that, and in violation of Canadian law, are employing common labour, including

labourers from the United States, and paying them 96½ cents per hour plus 10 per cent exchange on Canadian money, which means over $1.05 per hour. The consequence is that employees of Canadian employers are leaving them and going to work for these alien contractors, who are paying no attention to our Canadian law, while Canadian employers are bound to observe it. Certainly Canadian employers of labour would not be allowed to do such a thing, and I submit that it is the duty of the government and of the Minister of Labour to see that these alien contractors obey our Canadian law.

Hon. HUMPHREY MITCHELL (Minister of Labour): The Alaska highway, of course, is being built by the United States government, and according to the information at hand the greater portion of the work to be done this year will be done by the United States army. However, as some civilians will be employed, the Department of Labour is naturally interested in this project. As a matter of fact I have just left a conference with United States officials who have within the last few hours arrived from Washington, with a view to evolving some rational policy to deal with the situation, and we are hoping we shall be successful.

May I suggest to my hon. friend that in view of his very intimate knowledge of the Yukon we should be very glad indeed of any suggestions he might make that would be helpful in the work we have in hand.

I think it should be said in fairness, with respect to the wage rate there, that while it might seem out of line with the wage rate in the southern part of British Columbia, and probably in Alberta, my hon. friend will appreciate that there are many things entering into the wage rate structure for what is referred to as common labour as well as other grades of labour, because living costs are so much higher in Yukon than in other parts of this dominion. That accounts to some extent for what appears to be the high wage rate structure for common labour there. I trust that answers my hon. friend's question.

Mr. BLACK (Yukon): Since the minister has done me the honour of asking whether I could make a suggestion, I will, if I may. Just about a week ago we had a similar difficulty up there in regard to transportation. The American gentleman in charge of transportation there objected to anything being brought up by steamers on the west coast or by rail, mining machinery and even food for the inhabitants of that part of the country. Accordingly the superintendent or manager of transportation for Canada in Montreal appointed the controller of the Yukon as his agent, with power to deal with that matter on the spot, and it was quickly and satisfactorily adjusted. I suggest that the Minister of Labour or the war labour board appoint the controller of the Yukon as their agent to deal with the wage situation there. We are four thousand miles away, and you cannot settle this question by correspondence or by communications passing between Ottawa and Washington. The trouble should be handled right there where it arises, and a Canadian official should be given authority to settle it. That is my suggestion.

PRIVILEGE—MR. CHURCH

REFERENCE TO STATEMENT OF MINISTER OF NATIONAL WAR SERVICES IN COMMITTEE ON JUNE 1

On the orders of the day:

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I rise to a question of privilege. I wish to refer to three lines on page 2961 of *Hansard* of Monday last, in which the Minister of National War Services (Mr. Thorson) referred to me in these words:

> But time and time again he has sought to make a differentiation between Canadians of British origin and Canadians who are not of British origin.

That is both incorrect and untrue. I have never made any such comparisons or differentiations. What I had reference to was the reflection on the British born that is made in this book, "Canadians All", issued by the minister's department. I wanted equality of treatment. Not one word can the minister point to that I have ever uttered in the twenty years I have been in this parliament which made any such differentiation as he speaks of. The assertion I have just quoted from *Hansard* is ridiculous.

WAR APPROPRIATION BILL

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

The house resumed from Tuesday, June 2, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Bradette in the chair.

The ACTING CHAIRMAN (Mr. Bradette): When the committee rose last night it was discussing the items of the Department of Agriculture.

Mr. GARDINER: Yes, Mr. Chairman. The first item for discussion is $71,300 for the bacon board. Administration costs in connection with the British bacon board are covered by that item, which includes all the costs of running the board itself.

Mr. WRIGHT: I have a suggestion to make to the minister with regard to the enlargement of the work of the bacon board. I think the board has done a reasonably good job in stabilizing prices of pork products in Canada. Anyone who remembers the days before the bacon board was formed knows that in the fall of the year, when there was a large number of hogs going to market, the price invariably fell, and that when there was scarcity the price rose. There has been a much more stabilized market since, and I believe that a certain amount of credit is coming to the bacon board because of that. I believe that another board should be appointed, a live stock marketing board, which would have control of the marketing of all live stock in Canada at this time. There has been a certain amount of trouble with regard to the marketing of beef, and in this respect a live stock marketing board would have been of great assistance to the minister. Various producers' organizations in Canada have been asking that such a board be formed. I have before me a resolution passed by the various cooperative marketing associations of western Canada at their annual meeting this spring. The resolution states:

> That this meeting of representatives of Alberta Live Stock Cooperative Limited, Saskatchewan Cooperative Live Stock Producers Limited, and Manitoba Cooperative Live Stock Producers Limited, are agreed that it is necessary that a board of live stock commissioners of Canada be appointed upon which there shall be equitable representation of live stock producers.

I believe that such a board, upon which producers would be represented, would be of tremendous value at this time, be of assistance to the minister, and give to the live stock producers confidence that their rights were being recognized, and that as a result we would get a greater production of live stock, especially beef, than we have at the present time. We need that increased production.

It seems to me that the minister has appointed to most of these boards technical agriculturists to represent agriculture rather than representatives of the actual producers themselves. I think the producers themselves through their cooperatives or through their farm organizations, such as the Canadian federation of agriculture, should appoint their own representatives on these boards. This would give greater confidence to the producers, and if we are to have the increased production which we need at this time that is one of the best ways to secure it. One evidence of that fact is the increased production of pork products which has occurred since the formation of the bacon board. The producers have had more confidence that there would be a stabilized price throughout the year, and they have increased production. I believe that the minister could very well take under consideration at this time the forming of a board of live stock producers to organize the marketing of all live stock products in Canada to-day.

Mr. FAIR: I support the stand taken by the hon. member for Melfort. One condition I should like to make is that the representative of agriculture should be a man named by organized agriculture, because we sometimes find that some broken-down farmer, or one who has become bankrupt farming, receives the appointment. He is more of a detriment than anything else, but because he is there, the farmers are considered as being represented on the board.

Mr. GARDINER: I understand that the resolution passed at the meeting of live stock representatives on the prairies was to the effect that a board of live stock commissioners should be appointed. I think that is the follow-up of the resolution which has been presented to the government by the federation during the last two or three years. The suggestion of the federation is not for a board similar to the one that is now handling pork products under the name of the bacon board; it is for a board to have powers similar to those of the board of grain commissioners, and the resolution has always contained a suggestion to that effect. Each time that resolution has been presented to the government we have stated to the delegation presenting it that the government could not raise any particular objection to setting up a board of that kind, but that we hoped that any one who was bringing the resolution before organizations representative of live stock producers would explain fully what it means.

All of the costs of grading cattle, hogs, or dairy products are borne to-day by the treasury of Canada; we appoint the inspectors and we pay for them out of the dominion treasury. That is not true in connection with grain.

The product itself bears the cost of all inspections, grading and everything of that kind that are carried on under the board of grain commissioners in connection with wheat. Naturally the government would have much less expense if a live stock board were set up to deal with live stock in a similar way; in other words, to have control of all grading and marketing activities such as are under the control of the board of grain commissioners, the cost to be taken directly out of the product. It would, of course, be a much higher cost to the actual producers of the product than they are bearing at the present time.

As long as those who are passing the resolutions fully understand the position they are taking, we shall be quite prepared to give consideration to their representations when they come to us.

Mr. QUELCH: Would the minister give the committee information to show the effect of rail grading of hogs in western Canada—as a matter of fact, for all Canada? I know there has been a good deal of criticism of rail grading. Personally I am a strong supporter of it; I believe it is a method which would benefit producers in the long run. It would be interesting if the minister could supply a table showing what the effect should be.

Mr. GARDINER: I have not before me at the moment figures which would indicate—what I assume the hon. member has in mind—the extent to which the quality of hogs has been improved in the different gradings. I have not figures here to bear out what I am going to say, but I know that figures exist. While there was, as has been stated, a great deal of criticism of the rail grading of hogs at the time it was inaugurated, that criticism has almost entirely ceased. Just before coming into the chamber to-day I saw a letter sent to the department as the result of a discussion which took place outside Canada, following an address which was delivered before a farm organization in Minneapolis. The letter asked for information with regard to the nature of our grading in this country. The person who wrote the letter was not an official of this government but an official of the government of a province in which there was considerable criticism of rail grading at the time it was inaugurated. In his letter to the department he expresses himself as a strong advocate of rail grading, and says it has created a very much better condition among hog raisers in that province. I believe that has been the experience right across Canada.

We get very little criticism now of the system; we do get suggestions such as were made yesterday afternoon by the hon. member for Dufferin-Simcoe (Mr. Rowe), that we should accept higher weights as satisfactory under the system of grading. It is also suggested that we should not be quite so hard upon those who are bringing light hogs to market. So far, however, as the light hogs are concerned it is found difficult to justify the purchase of half-developed hogs at a time when we are requiring the greatest possible production of pork products in order to supply the British market. I think, therefore, that little attention has been paid to the criticisms with regard to light hogs, but considerable attention has been paid to the suggestion that we should allow heavier hogs. There is only one answer I can make to that. We have been attempting, in addition to supplying the needs of the British market, to satisfy the tastes of the British people. It is well known that the British people have been accustomed to eating bacon the greater part of which has been produced in Denmark, and the Danish producers have made a specialty of producing long Danish hogs with streaks of lean all the way through and a comparatively small proportion of fat.

We had an experience recently with regard to fat bacon. We had a strong protest from Great Britain, on the part of the troops, as to the type of bacon with which they were being supplied, and their criticism was directed against much the same organizations as are criticized in this house and outside. The complaint was made that a packing plant in Canada was sending them bacon that was too fat. We had a full inquiry made on the other side, and the report we received was that the bacon was all a United States product and not Canadian. The criticism was that the bacon was too fat, and I suggest to those who are advocating a higher weight of hog that is the sort of criticism we run into not only among the British themselves but among our own troops overseas. They say they do not want that type of bacon.

We are attempting to meet British requirements for bacon and at the same time to supply them with the type of bacon desired, so that when the war ends we shall be in a position to meet some of the problems mentioned last night by the member for Lethbridge (Mr. Blackmore). Eventually we are going to come to the point where we may have to decide that we are endangering the future of our own agriculture by increasing production along certain lines—the point where men

will probably lose in the few years following the war all the profits which they thought they were making during the war period. In watching that particular situation, we are attempting to supply the needs of Britain with the type of pork product they wish to have, in order that we may maintain as large a percentage of that market as possible after the war is over. We would hesitate, therefore, to increase weights even to satisfy those who still make complaints with regard to our grading on the ground that we do not allow weights to run high enough, because to do so would disappoint people to whom we are supplying these pork products.

Mr. ROWE: Would the minister not give more consideration to the establishment of a live stock commission instead of merely a bacon board, in view of the suggestion, which was reported in last night's press, that we may have to have meatless weekends. If it is necessary for war purposes that we should have meatless weekends, we shall have to have them, but I submit that we can produce a great deal more. Much was said last night by the minister as to the amount of increased production. We can increase production considerably on our farms even with our present help. After all, when a man has to feed twenty hogs he can feed thirty almost as easily. It takes help to feed twenty, and he can feed thirty in the same process. If he is fattening hogs to 225 pounds, he can make them 250 pounds as easily, and he can put the last twenty-five pounds on cheaper than any other part of the 225. It would be a chance to give our farmers a break. Moreover, it would afford an opportunity for the consumption of some of the surplus grains of the country, converting that surplus into animal fats that are so greatly required by the troops. I do not think that the minister should allow some slight criticism from certain quarters, from some officers' mess, as to not having bacon properly streaked, to interfere with his plans.

I think we need more foodstuffs, and we shall need more immediately following the war. Is there one branch of the minister's department which will say that Denmark will come into the picture immediately following the war? It will take Denmark years to get back to the position she formerly occupied. We watched the penetration of Denmark into the British market. In 1921 we sold Great Britain 250,000,000 pounds of bacon, but by 1930 that market had practically disappeared as far as we were concerned. Much was said last night about losing markets. The bacon market of Britain was lost to us definitely between 1921 and 1930. We were supplying Britain with 12 per cent of her requirements and Denmark was supplying Britain with the remainder, but by 1930 we had lost the market, so that we were supplying England with one per cent of her requirements while Denmark was supplying her with over 60 per cent—over 600,000,000 pounds—and we were importing more meats into Canada than we were exporting in 1930.

I agree that probably we failed at that time in giving to Britain the type of products she required. Perhaps we failed as producers to keep pace with the skilful, well-organized producers of Denmark. But that condition has entirely changed. The reason why we are selling to Britain now is not to be found in any magic type of policy. We have produced better bacon, it is true, but we were getting only the fringe of that market between 1930 and 1939. With Denmark overrun by the Hun, and since Germany has been consuming not only the bacon produced in Denmark but the breeding stock of that country as well, none of that bacon is going to Britain. We do not now have that competition in the British market, but we have a challenge and a demand for more bacon foodstuffs in Britain. I submit again—and no one knows this better than the minister—that you can produce volume faster by increasing the weight per hog than by any other single method. The next means by which we could reach the point of producing even as much as Denmark was producing before she was overrun would be to give the farmer some assurance that, no matter what his wages or his feed costs may be, his price will be flexible to some extent so that at least he may expect costs plus 10 per cent on his investment.

The first means, however, is to increase the unit weight. I believe the bacon board might be enlarged into a live stock commission, because for many years the consumption of beef and pork has been relative. If pork rises in price, beef consumption automatically rises if the price is satisfactory; and if beef prices are high, pork consumption rises under similar conditions as to price. That has been the situation for years locally. Beef and pork are definitely tied together as meats. I therefore urge the minister that he reconsider his refusal to allow the regulations to be a little elastic during the war. This war may not last long; it may last only another year or two, and we are thinking of post-war conditions. But the immediate challenge before any of us here or on the farms is production of quantity foodstuffs.

We can easily restrain and restrict the rates immediately following the war when other competition looms up. But I hope the department may be able to hold the British market for many years to come. I hope the present necessity for production going to Britain may develop into a more stable market. If we hope to hold that market after the war, we must produce what the British people want, not what we want. At the present time they want quantity rather than quality. We have no competition in quality; we have a challenge for quantity, and I urge the minister to reconsider extending the maximum weight. Perhaps fifty pounds a hog is too much; it might affect the quality too suddenly, but as a hog producer I know that one can produce fifty pounds more a hog and still have what is reasonably good pork, better than we had twenty years ago. If, however, fifty pounds is too much, at least give the producers some leeway; do not allow a farmer, who is trying to pay off a mortgage on his farm, to be discouraged by the reduction of a dollar a hog because it is a pound overweight; increase the maximum by at least twenty-five pounds, which will bring a tremendous increase in quantity. I again urge the minister to reconsider his refusal in that regard.

Mr. COLDWELL: I should like to follow what the last speaker has said, and of course to support the idea of widening the basis of the meat supervision and export from this country through the establishment of a commission. I see the hon. member for Parry Sound (Mr. Slaght) in his place; I think he will recollect one or two incidents that occurred when we were in Britain last autumn. I remember one time when we were served bacon I remarked to the waitress that the bacon was salt, and received the reply, "Yes; that is Canadian bacon." On another occasion we made the same observation and again were told, "Canadian bacon". We made some inquiries regarding Canadian bacon from the food controller, Lord Woolton. He told us that the Canadian bacon we were sending over was in every respect of very high quality, but was being oversalted because of the shortage of refrigeration space. Something should be done by the British authorities to let the British people know that the Canadian bacon they are getting to-day, which is of good quality, good texture, and the type of bacon that they usually like, is salt because it has to be oversalted on account of shortage of refrigeration space.

Another factor in the situation is that most of the smoke-houses in Great Britain—I suppose hon. gentlemen know that the bacon coming in from Denmark was smoked not in Denmark but in Britain—were located along the river Thames and certain east coast ports of Britain, and when the blitz came most of those smoke-houses were destroyed, with the result that still further difficulty was caused in relation to the flavouring of our bacon.

I believe that in addition to supplying the British people with the type of bacon they like, even in spite of the war, we should make an attempt to enter into a longer term agreement with them than we have had, for I am convinced from my knowledge of the British trader and of British business practice generally that if and when Denmark comes back into the bacon industry—it may not be for two or three or four years after the war—we shall again be confronted with keen competition. Those of us who come from western Canada know that as lately as 1938 our live stock and hog population was at a very low level on account of shortage of feed, but in about four years we were able not only to increase our live stock population in every respect, but to increase our hog production enormously, and we can continue to do so indefinitely. When we are rendering this service by upsetting our economy as we are at the present time—and I had an opportunity of saying that when I was in Great Britain—in order to feed Britain in her dire need, some attempt ought to be made by the government to enter into a longer term agreement so that when the war ends we shall not have within a year or two a sudden stoppage of the bulk of our exports of these goods to Great Britain, thereby involving our farmers perhaps in a loss of gains they may have made during the war. When I speak of gains during the war, I know, and everyone knows who is in touch with the farming community in this country, that farmers are to-day not making profits; they are getting something nearer the cost of production, but are still in many cases not recovering that cost, with the higher price of labour on the farm and of supplies.

It is quite reasonable that a commission should be established to deal with live stock products generally, and some attempt should be made to enter into a longer term agreement regarding the taking of our meat and other products by Britain after the war.

But one thing we must do; it may be possible to increase the weight of a hog by twenty or twenty-five pounds and still keep the quality of bacon up; I do not know, but if we cannot do that then we should maintain the quality.

Mr. GARDINER: We have increased the weight by twenty-five pounds already.

Mr. COLDWELL: Yes; but I mean beyond that. We should do everything we can to keep up the quality.

Another thing that should be done is, as far as possible, to keep the distinction clear in Britain between our bacon and United States bacon. We saw United States bacon being landed in Liverpool. Some cases had been broken in unloading, and they contained huge thick slabs of obviously corn-fed lard type bacon from the middle west.

I wanted to make just those two or three points, particularly to indicate the reason for the saltiness of our bacon, and to suggest that some attempt be made to enter into a longer term agreement for bacon and other such products that Britain needs, in order that we may not find ourselves out on the end of a limb two or three years after the war ends.

Mr. HOWDEN: Have steps been taken to prevent Canadian abattoirs from making further shipments of United States bacon? That bacon came in here a year or two ago I believe, when the tariff on bacon was lowered, and I know a good many of our abattoirs disposed of the stores of Canadian bacon that they had and loaded up with United States bacon. No doubt that is the reason why they got it in England.

Mr. GARDINER: No United States bacon is shipped to Britain under the contracts made with Canada; nothing but Canadian bacon is shipped. Even the bacon which came in from the United States during the first year of the contract, because of the fact, which I stated last night, that hogs were on an average 3 cents a pound higher in Canada than in the United States, did not go to Britain. Anyone could buy hog products in the United States much cheaper than he could here. As I remember the figures, the packers shipped in somewhere in the neighbourhood of thirty million pounds in a few weeks time.

Mr. HOWDEN: On the hoof?

Mr. GARDINER: No; in the form of pork products. We made an arrangement for a quota on what they could ship in, and the shipment of United States pork into this country was largely prevented during that period. There are special regulations in effect as a result of our desire not to have our hogs go to the United States. These restrictions have been imposed as a result of negotiations with the United States and by the action of our own bacon board and the Department of Trade and Commerce.

So that that matter is fully regulated in reference to dealings between Americans and Canadians, as far as pork products are concerned. There need be no confusion as between pork products shipped from Canada and those shipped from the United States. These products are shipped to Britain as American pork products direct from the United States; but when they are served at the table, having passed through the various distribution centres, it is difficult for the consumer to know whether they were Canadian or American. I presume the same thing would happen at the table in the barracks as probably happened at the hotel where the hon. member for Rosetown-Biggar made inquiry. Over there the natural thing is to classify everything coming from America as American; but because of the advertising we have put on about Canadian bacon they probably would say that the bacon in question came from Canada. All the complaints were with regard to fat bacon and salt, and all the charges were made against one particular packing company in Canada. Those charges were not from an officers' mess, as was suggested a few moments ago; they were from the rank and file of the men in the army, complaining against the type of bacon which was being sent over. To make an investigation it was necessary that the product be followed right back to the kitchen; they had to get the actual rind taken from the bacon, and they found it was stamped American. So that they were able to prove that this was a complaint with regard not to a Canadian product but an American product.

I am sorry the hon. member for Dufferin-Simcoe (Mr. Rowe) has gone out; I do not think he was in the chamber when the hon. member for Melfort (Mr. Wright) made a suggestion with regard to a board of live stock commissioners, but I hope he will read in *Hansard* the comment I had to offer in that regard. That comment was not to the effect that we were not prepared to consider a proposal along that line. Rather it was to the effect that we were prepared to give consideration to such representations provided that they came from stock producers right across Canada, who understood that they were asking the government to forgo the payment of costs which are now being borne by the treasury of Canada, which costs would be placed upon the product itself. That is what is involved in the resolutions which have come forward from time to time.

There was another question, as to whether our contracts should be for longer periods of time. Ever since the war started I have been of the opinion that we should have long-term contracts with Great Britain covering all farm products. I based that opinion on the experiences of Australia and New Zealand during the last war. As I recall it their contracts extended for the period of the war and one year thereafter, and we have attempted

continuously to make that type of contract with the British food ministry to cover our food products. Up to the present time, however, we have been unsuccessful. Last year we came within two shillings of succeeding in making a contract covering two years, a contract which would be reconsidered and re-signed at the end of each twelve-month period, in about August of each year. The idea was that this would have the same effect, of continuing the contract until one year after the war. Presumably we would enter into it just before the end of the war; it would cover a two-year period, and if part or even all of the first year passed before the war was ended, the contract would still continue for a year thereafter.

I say there was only two shillings between us in coming to an agreement last year. When we were discussing the price upon which the agreement was to be based the British food ministry intimated to us that they were prepared to sign a two-year contract on the basis of 98 shillings, but that if we required 100 shillings in order to get the production which was thought necessary, then they did not wish to sign a contract for more than one year. We finally decided on the one-year contract at 100 shillings, because we felt that in order to get the production we wished, hogs should average somewhere around ten cents live weight at Winnipeg, and in order to get that price we required the 100 shillings. They suggested at that time as an alternative, and the matter is now under consideration, that they would be prepared to sign the agreement earlier this year, which would probably have the effect of making the agreement cover a period of about eighteen months. That agreement has not yet been signed, but information is being gathered and negotiations are under way which will make possible an agreement for the succeeding year.

Mr. WRIGHT: I appreciate the minister's answer to my question, but I cannot agree that the cost of inspection should be a factor in connection with the appointment of a live stock commission in Canada. If the minister has the figures now I should like him to bring them down, or if not he may give them in connection with his estimates, as to what the cost for the inspection of pork products and cattle has been in Canada in the past. As a shipper of cattle for the past twenty-five years, I do not think there is any inspection of live cattle to-day. There is a grading of beef, into the red and blue label classes, after it is killed; but you can ship a live animal one week and have it graded No. 1 whereas perhaps two weeks later, when there is a surplus on the market, that same animal might fall into a lower grade. In that case you will not only lose the difference between the prices paid for the two grades; you will also lose the grade itself, and since this is often a matter of a cent and a half per pound, it makes a tremendous difference in shipping.

There is another matter I should like to mention in connection with the marketing of cattle. During the last few years the packers have brought a larger percentage of their cattle direct from the farmers, without having them go through the public markets. I do not know just how greatly that percentage has increased; I placed a question on the order paper in that connection which was passed as an order for return, but as yet the return has not been brought down. I do know, however, that there has been a considerable increase in the percentage of the packers' requirements now being bought direct from the farmers; yet the price paid by the packers of course is established by the price on the public market. Naturally if a packer can secure from 25 to 50 per cent of his requirements direct from the farmers, so that he has to go to the public market only for the remaining 50 per cent, it follows that there is not the same competition in the open market, and as a result the price is lower. A board of live stock commissioners would serve a useful purpose in restoring confidence to the producers of live stock and live stock products.

Mr. SHAW: Before we leave the question of the desirability of increasing the maximum weight of the bacon hog for export to Great Britain, I feel that I should place on record a resolution recently passed by the Red Deer board of trade. Many hon. members realize, I presume, that the city of Red Deer is located in the centre of one of the greater hog producing areas of western Canada, and a decision either for or against any increase in the maximum weight will have a definite effect upon a great many farmers of that area. The resolution is as follows:

Whereas the present weight for Canadian bacon hogs for the British market is two hundred and twenty pounds maximum,

And whereas the American producer is shipping hogs to the British market at two hundred and twenty pounds basis.

And whereas after a hog reaches two hundred to two hundred and twenty pounds, it is easier to increase the weight to two hundred and fifty pounds without additional bone weight increase, and the extra weight will help our quota and help feed the British citizens with still a good bacon hog, and a reasonable increase in the revenue to our hog producers of Canada. We are not unmindful that our present standard of bacon hog should possibly be maintained after the war, but this may be a long war, and the British public need the food. We can revert back to the lighter hog after the war is over with little trouble and in the meantime we

have increased a desirable food supply with advantage to the British consumer as well as increasing revenues for the hog producers of Canada.

Therefore, be it resolved that this board endorse the raising of the bacon hog weight to two hundred and fifty pounds maximum for the British market for the duration of the war.

I think that view is representative of the view held by the hog raisers of that area. I feel no reluctance in associating myself with those who advocate that further consideration should be given to increasing the maximum weight of the hogs we are exporting to Great Britain.

Mr. FAIR: Are the Canadian hog producers going to be able to supply the 600,000,000 pounds of bacon that are required this year? A couple of weeks ago I noticed the following article in the press:

In the weeks the contract has to run, a good increase in marketings is anticipated in western Canada. Higher marketings also are expected in eastern Canada, although they have been running lower than last year. In the weeks already elapsed western hog marketings were 17 per cent above last year while eastern Canada was down 12 per cent, a net increase of 3·7 per cent.

In that same paper it is reported that hog gradings in Alberta were 34 per cent higher than last year. How do the other provinces stand?

Mr. GARDINER: In the first twenty-five weeks of the year beginning October 1 last, 52 per cent of the 600,000,000 pounds had been either shipped or was in storage in Canada. A number of weeks have gone by since the end of that period. In other words, with still a week to go before we were half through the year we had 52 per cent of the amount necessary to fill the contract. Of course there would be a few weeks following the end of the period when there might be some difficulty in keeping production up to the previous levels.

Mr. SENN: And shipments.

Mr. GARDINER: And deliveries in Canada; it is a short delivery period. While we have done considerable advertising in an effort to get production up during those months, we are not in position at the moment to state whether deliveries will come through in as great volume as we have been expecting, but we think they will. We have added twenty-five pounds to the weight of the hog which is acceptable in order to increase the volume and thus make it more certain that we will fill the 600,000,000 pounds contract this year. The advice I am receiving from the bacon board and others who have the information is to the effect that we will approximately meet the 600,000,000 pounds. We may be a little under or a little over, but that is the position.

Mr. SENN: The minister referred to permitting an additional twenty-five pounds in the weight of the hog. Hogs are paid for on a bacon basis, and a hog of that increased weight would not get the select premium.

Mr. GARDINER: Grade B-1 takes in up to 185 pounds dressed.

Mr. SENN: But they would get no select premium.

Mr. GARDINER: That would be paid on 176 pounds dressed; it would be nine pounds out in the dressed weight.

Mr. SENN: No matter how select the hog may be, it would not receive the select premium if it were that weight.

Mr. GARDINER: No premium is paid on hogs over 176 pounds.

Mr. ROSS (Souris): This adding of weight to our hogs is a matter that should be considered. I received a return last week in connection with hogs which states that the A weight runs from 140 to 170 pounds. As the hon. member for Haldimand (Mr. Senn) has pointed out, a heavier hog would not get into the A bacon class. When you have this extra weight you are taking a cut on your hog and losing at least $1 in addition. That loss might run to $1.50, because B-1 is 50 cents and B-3 is $1.50. The hog raiser is penalized for that extra weight. As has been pointed out, that extra twenty-five pounds can be added much more cheaply than any other part of the weight. The minister and his department should consider allowing extra weight to come into the A class.

The suggested live stock commission would be of more value to the cattle producers than it would be to the hog raisers. The bacon board is doing a pretty fair job in connection with the marketing of hogs, but in certain seasons of the year there is a definite discrimination in the marketing of cattle at our stockyards. There is a great need for a live stock commission, which could render useful service, especially to the cattle producers.

Mr. GARDINER: There is one thing I think should be said to the committee in view of the remarks that have been made. It is perfectly true that when the hog goes over the 176 pounds dressed weight there will be $1 less taken. Since we have allowed hogs to go up to 185 pounds in the B-1 classification we have found that the increase in second grade bacon has been out of all proportion to

what we had expected. Under the British agreement we are expected to send a certain proportion of A's, and they accept a certain proportion of other grades. But we are just a little concerned about having gone as far as we have in view of the effect it is having upon the gradings up to date. If we cannot get better results I am afraid the agitation will be to go back to where we were previously rather than to go in the opposite direction. Probably that agitation will be made by the hog producers themselves.

I was interested in the resolution sent from Red Deer, because I discussed this whole question with the live stock people of northern Alberta in Edmonton last January. At that time the suggestion was made from the body of the hall that we should increase weights, and a lively discussion followed. This happened before the weights had been increased even to where they are now. Prominent hog raisers in Alberta took the position that quality was more important to them, probably not at the moment but from the long time point of view, than increased weights which might bring a little more profit for the time being. That was pretty much the consensus at that time. In most groups in the country you can sit in with the producers and place the whole question before them. I had with me at that time—I am sorry I do not have them here—all the figures with regard to gradings and the effects of those gradings. But I shall have these figures when we are discussing the regular estimates of the department, and I think we can discuss this whole question then to better advantage than we can at the moment.

Mr. ROSS (Souris): I would not ask the department to increase the weight of hogs if it was going to create an inferior grade of bacon, because our first aim should be to produce bacon of A-1 quality. But I still feel that with careful feeding we could increase the weight to some extent and still produce A-1 bacon.

Mr. GARDINER: We have been talking about a 225-pound hog, but it takes a 240-pound hog to produce 185 pounds of Wiltshire sides. So that we are really talking now about a 240-pound hog. Everyone will agree with me when I say that for the last twenty years we have been advocating in this country a 200-pound hog as the proper weight for a farmer to deliver, and if we advocate now that a farmer should deliver a hog around 225 pounds I think we have gone quite a long way towards accepting the views of those who think we should provide a heavier hog. Hon. members have probably noticed that we have agreed with the United States government—it was announced only this past week—that we are prepared to consider along with them certain arrangements with regard to the weight of hogs, and with regard to potatoes. Those discussions will take place, although there are no commitments in connection with them.

Mr. PERLEY: Is there any way in which you could control the packer? He takes a certain quantity of first-class bacon out of a hog of any weight, out of say a 250-pound hog, which would dress in the neighbourhood of 200 pounds. Could not the packer by trimming, get a certain amount of A-1 bacon out of the heaviest carcass? I remember coming to Ottawa on one occasion and meeting on the train a number of packers who were on their way here to attend a meeting. They showed me samples of bacon that had been produced in different packing houses. There was not much difference between them that could be observed by looking at them. They told me that they could get a certain amount of A-1 bacon out of a hog of almost any weight, even one over 250 pounds.

I do think there is some merit in the argument for a heavier hog for the duration of the war, when we need fats so badly. The minister stated on one occasion that fat could be trimmed off the carcass in the processing plant. I have had some experience in hog raising. I have what I consider a good hog house on my farm in the west, equipped with steam cooking plant, root cellar and every other convenience. You can feed 50 or 100 hogs in that hog house as easily as 50. Even from the labour point of view we should encourage a little extra weight on the hog, as well as from the point of view of making use of coarse grains for feed. The surplus fat could be taken off in the processing operation.

Mr. GARDINER: I attended the meeting these packers were coming to. They brought down their sides and hung them up at the experimental farm. I went down that row of sides where they were hung up and laid out, and while I am not an expert at examining hogs, when you have an expert along with you, you can very soon see exactly what is meant by the grading of hogs. While it is possible to take a hog of a certain weight and trim it down, if it has been properly fed, so as to get out of it a very good product in the form of side bacon, anyone who buys a hog of such a weight must take a considerably lower price for what he trims off than he gets for what he delivers as side bacon.

Mr. PERLEY: The packer could convert the fat into lard.

Mr. GARDINER: They might when lard is at a good price and vegetable oils are short. But what we are talking about now is supplying the present demand and at the same time keeping ourselves in such a position that we can hold something of what we have got after this war is over. After all, only a very small percentage of our hogs, even under our present grading, are of the high type that Denmark and Britain produce. Even with all the care we have taken in breeding and everything else we have not nearly reached the standard they have reached in Denmark and which they will enjoy when the war is over. It has been pointed out to us that we must continue to keep our standard as high as we can, in order that when the war is over we shall not have to fight too big a battle to get back into the same classification as our competitors. I agree that no one knows at the moment how long the war is going to last. We are unable to guess, and no one knows at the moment what position Denmark will be in after the war. But I think we should take it for granted that the people who are in control of Europe to-day are just as wise in connection with the production of food as they are in connection with other operations having to do with the war, and I should be very much surprised if there are not more hogs being produced in Denmark to-day than there were before the war. There has been no war in Denmark. The nazis simply walked in and took possession of everything, and I venture to say that they are producing as much food in Denmark to-day as they were when the war started.

Mr. HANSON (York-Sunbury): The theory was that the nazis were taking away the breeding stock.

Mr. GARDINER: They may take them away, but I imagine they will feed them where it is to their best advantage. Denmark is one of the best agricultural areas in Europe and one of the most highly organized. The people understand agriculture and how to carry on farming operations and the raising of hogs, and there is no fighting going on in Denmark.

Mr. SENN: They always had to import grain.

Mr. GARDINER: Yes, but I think we had better figure that Denmark at the end of the war will have the same high grades she had before, and that we shall not have an interval of two or three years in which to build up our product; therefore we should keep our own products in a position to meet any competition that may offer.

Mr. PERLEY: I only want to make sure that the packer has not the opportunity, from the extra weight hog, to convert into lard the product he trims off, and still takes the average quantity of A class bacon out of the carcass. I venture to say that most of those who have taken part in this afternoon's discussion, if they were served bacon from the three sides that I saw of first class bacon that the men on the train told me had been taken from different weights of hogs, would not be able to tell whether it came from a 175- or a 250-pound hog.

Mr. GARDINER: The principle in connection with the whole system is this—I should have explained it when I was speaking earlier. A packer, when he buys a grade A hog, pays a premium of a dollar. That dollar is assumed to be a dollar more than he can actually get for the product. The basis of the whole system is the B-1, and they get a dollar over the B-1 price if it is a grade A. If it is under the B-1, in some of the grades where there are discounts, a discount is taken. The discounts are presumed to balance the premiums.

An hon. MEMBER: They don't.

Mr. GARDINER: Somebody says they don't. Sometimes the premiums are greater than the discounts.

Mr. SENN: Very often.

Mr. GARDINER: They were last year. If the premiums are greater than the discounts what really happens is that the man who produces the type of hog we really want gets something at the expense of the man who produces the type of hog we do not want. It is not a matter of the packer getting something or the packer not getting something; the system is supposed to work to take the money from the man who produces what we do not want and give it to the man who produces what we do want. That is the principle of the system, and it has operated to improve the standard of our hogs across the country.

Mr. WOOD: If I understood the hon. member for Melfort aright, he made a comment to the effect that when there was an over-supply of beef on the market the farmer lost in consequence of the grading. If that is so it carries an unfortunate implication, because after all, the graders who grade the carcasses, not only beef but pork, are government graders, civil servants who are engaged by the people of the dominion. It seems to me that their integrity

must be at stake, and I marvel that the minister did not rise to the occasion and defend those public servants. I might add that I have heard that remark on many other occasions. I listened to a statement in a speech in my own riding that the confidence of the farmer was absolutely destroyed because the government graders worked in collusion with the packers to secure for them additional profit. If that is so, and it becomes generally known, the confidence of the farmer will be undermined. Also a remark of this kind is rather dangerous to those who are called upon to discharge their duties to the farmer in grading carcasses and securing for them the grade to which the product is entitled. Their integrity as government inspectors is more or less at stake. I should like to have the opinion of the minister in this matter. I believe I have correctly interpreted what the hon. member for Melfort said.

Mr. WRIGHT: No, I did not say that.

Mr. WOOD: Further, I think the minister is wise in guarding jealously our reputation in Canada for the production of bacon hogs. The records prove that last year practically 80 per cent of all the hogs marketed in Canada went into the basic and the premium grades.

With regard to the question of increasing the amount of weight to each hog, the records of our experimental farms show that it costs more to produce one pound of meat the older and the larger the animal gets. Therefore by increasing the size you sacrifice a certain amount of profit. To the men in the west who have an abundance of coarse grain that may not mean so much, but so far as I am concerned I am anxious that my hogs should leave the farm as early as possible after they have reached 220 pounds. I think it is fairly safe to follow that line. When you get past it the cost of production goes up. Not only that, but you are apt to sacrifice quality.

Mr. WRIGHT: I think the hon. member for Brant misinterpreted my remarks. I was not speaking of the grading of pork but of the grading of beef. I believe that in the case of beef there is not nearly as strict grading as there is of pork. I still maintain that what I said with regard to beef is what actually takes place. I do not believe that it is a reflection on the integrity of the inspectors; it is probably a reflection on the methods used in buying from the farmers.

Mr. HOWDEN: But the beef is graded in the abattoir after the animal is killed.

Mr. WRIGHT: A certain amount of it.

Mr. GARDINER: That is exactly the reason I did not comment on the statement of the hon. member for Melfort: I understood he was dealing with beef, and we do not grade beef under the same type of organization as we do hogs. There is a voluntary grading of beef, and only a certain proportion of it is graded. There is, I understand, some compulsory grading in British Columbia, but there is no general compulsory grading across Canada.

One reason why I should like to feel that live stock organizations really know what they are doing when they are passing resolutions such as the one which has been read is that there would be costs of grading. You could not operate the sale of beef in the United States, under a board similar to our bacon board or to the board of grain commissioners, under any other system than a system of grading, and that grading would have to be very carefully done. And of course, while we do get advantages out of grading, there are costs in connection with it as well. As to what those costs might amount to, I have not the figures in front of me. I did have a table prepared which I presented to this house three or four years ago, because of a discussion which was then going on as to whether the grain grower or the live stock producer was getting most out of the treasury of Canada. I was able to show at that time, which was before we started paying the amounts we are now disbursing in connection with acreage and wheat prices, that the live stock producer was receiving a great deal more out of the treasury than the grain producer was, just because of this very service, which amounts over a period of time to millions of dollars paid out in grading live stock products; and to-day we have a much more highly developed system than we had at the time I filed the figures. Over no very long period of time the cost runs into figures between twenty and thirty million dollars. If all of the facts are placed before the organizations which are considering the subject, and they then pass a resolution asking the government to do certain things about it, the government would be justified, I believe, in saying, "The live stock producers want us to do that; it is going to cost the treasury of Canada a lot less money if we do it the way they are suggesting; then let us proceed to do it". I do not believe there is any great objection to doing it so far as the government is concerned.

Mr. HOWDEN: What is the function of the beef graders? Every now and again the

civil service commission calls for beef graders, to grade beef in the abattoirs. If it is not to grade beef, what is it?

Mr. GARDINER: We established two top grades of beef. On a Canadian Pacific train or a Canadian National train you will see on an order a certain grade of beef at $1.50 a cut. We do establish those, those top grades. It is entirely voluntary. Anyone can have that grading done who wishes to have it done. The system results in only a very small percentage of the beef which is going into the market being graded, and it requires only a very small staff as compared with our general inspection staffs in connection with pork and other products.

Mr. HOWDEN: Grading takes place with regard to slaughtered beef, does it not?

Mr. GARDINER: In the abattoir.

Mr. HOWDEN: Then it cannot have any connection with the sale of beef.

Mr. GARDINER: Not the sale of cattle.

Mr. RICKARD: This question has produced more controversy among farmers than any other question in regard to the products of the farm. As the hon. member for Brant has said, many farmers declare that we are not satisfied with the grading we get. We have graders appointed; a man sends a number of hogs one day to be graded and—I have heard farmers say this—he might send the same hogs the next day and get a different grading. There is a good deal of trouble about the grading of hogs.

I am glad to hear the minister say that 220 pounds is about the right weight for hogs. I have been in the business for some time, not as a specialist in hog raising, though I have produced a good many hogs, and I find that 200 or 220 pounds is about the weight at which it is most profitable to dispose of hogs. In olden times we used to grow what was called the thick fat hog, and anyone will tell you that is the easiest type of hog to produce. You can grow it cheaper than the lean hog. But we were educated away from that ideal for the simple reason that we could not sell fat bacon. We have therefore been growing thin hogs so as to have a better quality. I think it would be a great mistake to go back to anything approximating the old standard and to increase the weight of hogs to 250 pounds. It is recognized of course that the British market wants the leaner hogs, from 200 to 220 pounds, and if we are to maintain the market which we have already established there we must be careful not to exceed the requirements they stipulate. We may need fat and I realize that perhaps the last twenty-five pounds is the easiest to put on; nevertheless I think we should consider very carefully just where we are going if we attempt to increase the weight of hogs.

Mr. WEIR: Along the lines suggested by the hon. member who has just spoken, we should bear in mind, in considering this question of the hog policy for the future, what has been our experience in the past. This question has been before us for twenty years, since grading was instituted, and it has taken a good deal of effort to bring the present type up to the present standard. As the minister has intimated, our success in that regard has not equalled that attained in Denmark with their type of hogs, and it seems to me that to alter our standard or to make any drastic change might have far-reaching effects which it would be more difficult for us to overcome afterwards than many of us may think. After all, the farmer who is feeding his hogs is a shrewd man, and he knows what to do. I have not checked up carefully the figures with regard to the grading of hogs, but I may tell of an experience we had a few years ago at a time when there was a good deal of complaint with respect to the grading of hogs. The reason was that too many hogs were coming to the market overfinished and overdone, and the reason for that in turn was that it was during a period when grains were cheap and people were feeding their hogs to the very limit, with the result that they were getting top weights and a little above. So that if we are inclined to think that the farmers are not paying close attention to these questions we are mistaken.

There is something else in regard to which I have felt that many producers do not realize the significance of grading. If anyone looks at the special hog, the first-grade hog, he will understand that it is the ambition of every farmer to produce that type. But after all, in our grading system, the A grade hog is not our standard; it is the grade B bacon at which we have always aimed. The special was something extra, as the minister mentioned, being an incentive to the farmer to try to produce what might be regarded as the ideal. But it is not the standard so far as our hog policy is concerned. We have had a good deal of experience in the grading of hogs. We had some experience when grading was first instituted and there was a good deal of complaint about it. It was difficult to get people to understand what the objective was, but gradually it became more and more acceptable. We had the same experience again when

rail grading was instituted. The minister will remember there was a good deal of discussion and much pointed criticism of the department when rail grading was instituted, but that system has been generally accepted, and I believe that members who have paid close attention to the development of our agricultural products will agree that we have always aimed at standardizing products. For my own part, and I believe this is generally accepted, I think you can grade a hog more accurately and much more carefully on the rail than on the hoof as a live hog. We have made progress in that regard, and watching the grading of hogs on the rail I think the policy arrived at is the most accurate that has been developed so far in that direction.

There is one question which in my mind remains to be answered with regard to the hog grading policy. It is not so much a matter of the top grade hogs as it is with regard to the lower grades; and what bothers most people, the thing that is most difficult to explain, is the number of discounted hogs. It does not seem to me, and I think a good many others agree with me, that it is necessary to have as many grades of hogs as we have at the present time. That is the only comment I make at this time on this aspect of the question. I should like to know from the minister whether he thinks it is necessary to have all these grades of hogs in carrying out the present policy.

Mr. AYLESWORTH: With a good deal of what the minister has said I agree so far as weights are concerned. But as to what he has said in reference to the change in weight resulting in the production of a great many more hogs of the heavy type, while I cannot speak for western Canada, I believe that the production of the heavy hog is in part attributable to present conditions inasmuch as the farmers of Ontario find it very difficult to get enough young hogs to carry on and to use up their feed, and are therefore almost compelled to keep their hogs until they are too heavy. I believe that will be cleared up in the near future.

If I understood the minister rightly he suggested that the dollar premium paid on hogs is supposed to be offset by the dollar cut on off-grades. I wonder if that is the reason why, in a shipment of say 400 hogs, you have 90 odd selects, which means $90 premium, while in that same shipment you will have $90 or $100 or $105 of a cut. Is that a sort of understanding between the grader and the packer, that it is in the nature of a balancing up? I have found in my own experience that this has occurred, when knowing and seeing the hogs one felt that it should not be that way. I was wondering whether that was the reason.

So far as rail grading and live grading are concerned, I believe the understanding is that after your hogs have been graded by one grader no other grader is allowed to be called in to re-grade them. But there was an experience a few years ago in the stockyards; some ninety hogs were graded and the grader took out ten selects. The remaining eighty were brought back under another name and he took out nine selects from those eighty. Again the remaining seventy-one were brought back under a different name and the same grader took eight selects out of them. That continued until there were only some nine hogs left out of the ninety and they had got seventy-two selects. The mark on these seventy-two hogs was washed off; they were brought back and graded by the same grader, and he then graded ten selects. I was wondering whether there is a sort of guessing to offset the premiums that are paid. As I understand it, so far as the British market is concerned B-1 bacon is rather more desirable than even our select bacon.

I agree with the last speaker that there are too many grades. I would reduce the number of grades by having say the select grade A class; then the B-1 class, and then the heavies after that, doing away with the other grades in between. There should be one cut on hogs over a certain live weight, say 240 or 250 or whatever may be decided upon, and all hogs under that should be on the basic price. I think that would be far more satisfactory to the farmer.

Mr. GARDINER: In regard to the number of grades, I have been a sort of crank on that myself ever since we have had rail grading. As I go out to gatherings here and there across Canada I find that is one of the main criticisms, that there are too many grades. I have been driving at the bacon board and our own men in the department to see if we cannot get the number of grades cut down. On making inquiry recently I find that in Canada we have eleven grades and on the Chicago market there are twenty-six. We were examining Chicago trying to find a better system than our own, but they have more than twice as many grades. That may be due in part to the fact that they take a heavier hog than we do, and the grading system is on a different basis in the matter of weight. They rather encourage the heavier hogs because of the market they have for them.

On the question of balancing I do not want to be understood as saying that the balancing takes place in the delivery of any particular group of hogs or any particular individual's hogs. The last slip of my own that I looked at—and no one knew they were mine when they were being graded—showed five selects on which I got an extra dollar each, and none of them were docked at all; the rest were B-1. The averaging up is done not on any particular group of hogs; it is on all the hogs delivered during the year. A farmer who continuously brings in lights gets continuously docked, and the farmer who continuously brings heavies is continuously docked, while a man who always brings hogs around 200 pounds probably gets a premium on 90 per cent, under the system which has been encouraged to take money away from the man who brings in hogs that are not properly finished and pay it to the man who brings in hogs that are at the top of the list.

I hope the committee will permit me to leave the remainder of this discussion until we come to the general estimates, when I shall have all the information here. Statistics show that there has been a marked improvement in the type of hog that is delivered to the market as a result of the system we are following.

As to that story of the group of hogs, I do not know how closely it was followed through but I imagine that if a man brought in three or four hundred hogs and 50 per cent were perhaps only some ten pounds light, anyone could take them out of the market and feed them a few days and bring them back and have them converted into selects. It is not the fault of the hog that he is not a select; it is the fault of the man who feeds him. If one man brought him into the market light and someone gets him and takes him out and finishes him properly, he will be a much better hog when he is brought back.

Mr. AYLESWORTH: I am not talking of hogs of that kind. This group I referred to were all done in one day.

Mr. GARDINER: Well, I would want to know more about that. I hope we have no inspectors who are dumb enough to have that put over them; if we have, they should not be there. Many stories of that kind go round regarding grading activities, but one has to follow them through in order to be certain about them.

I think we have pretty well discussed this item. Could we call it carried and go on to the next, the dairy products board?

Mr. GRAYDON: When I was discussing agriculture generally on another item last night the minister intervened to say that anything I might have to say with respect to the milk situation might be said on another item, and this appears to be an appropriate one. I think it is essential that the committee make as much progress as possible, and while I was intending to make some extended remarks I shall content myself this afternoon, in order to hasten proceedings, by simply asking the minister a question. I think in December last a bonus was given to the whole milk producers in the Toronto milk area of 30 cents a hundredweight. On May 1 the bonus was withdrawn, if my information is correct. On May 15 in the *Globe and Mail* I noticed a report of a meeting of the executive of the Ontario milk producers association which dealt with the matter. They were very firm in their request that the bonus be restored. Would the minister care to comment upon that situation?

Mr. GARDINER: The position in connection with whole milk is that we have really had no set-up; it is a provincial matter. I am sorry the hon. member for Fraser Valley is not in his place—that is what I was trying to say last night, trying to put the responsibility where I think it belongs in connection with milk. The milk supply comes from round about the cities, so that in most instances it is limited to one province. That would not be altogether true in connection with Montreal, but it is of Toronto and most of the Ontario cities. The provincial governments have had boards established and there have also been boards in those cities that have been controlling milk supplies.

The activities in connection with the price of milk so far as this government is concerned have been under the prices board, which in this matter has been dealing not with us but with the provincial boards. The order given out from Toronto yesterday was an order of the Ontario board. I am not able to say what discussion the prices board had with them, or what all the discussions were in connection with the subsidies that were paid for a time and finally cut off. I only know that, judging from what came to our office in regard to it, there were communities in which there were very wide differences resulting from the paying of those subsidies. They were put on a basis under which a control was exercised if increases had been made within a certain period of time. It was presumed that if an increase had been made within a certain period of time, the price had been put up as high as was considered necessary, and that therefore it should not be further increased by the payment of a subsidy. In one case that I have in mind that resulted in one town paying, I think, $2.55

for milk and another, a smaller place not far away, paying as little as $1.80, while another place paid something like $1.95.

Mr. GRAYDON: That was a general bonus?

Mr. GARDINER: The bonus had that result. The one man who was very high in the beginning got a thirty-cent bonus, because he had not increased his price within a certain period of time. With all these discrepancies in view the board worked out a new plan, and announced that by May 1 they would be prepared to put it in operation. All these discussions took place with provincial organizations. I am certain that any of our officials who were invited to give assistance or information did so and cooperated in every way possible, but this was an arrangement entered into by the wartime prices and trade board after taking up the matter with provincial organizations, which have always controlled the milk trade.

Mr. GRAYDON: The minister mentioned a decision which was reached yesterday. Is he in a position to give any information on the situation which has developed?

Mr. GARDINER: I just referred to the announcement made yesterday in Toronto, to the effect that a price of $1.95 had been set for 3·5 per cent milk. I have no further information except what I saw in the newspapers.

Mr. GRAYDON: I have not seen the press announcement yet.

Mr. TUSTIN: Did the Ontario milk board not act as a board of arbitration in that case?

Mr. GARDINER: I think perhaps they did.

Mr. McNEVIN: My purpose in taking part in this debate is to urge upon the Minister of Agriculture the necessity of authorizing an increase in the price of butter, and of course my remarks will also be directed to the Minister of Finance, under whose jurisdiction the wartime prices and trade board operates. I believe the Minister of Agriculture and the officers of his department are fully aware of the necessity of increasing the return to the butter producers of Canada. The importance of the dairy industry in the commercial life of this country is well known. Perhaps I may emphasize it by saying that the total gross annual production of agricultural commodities in Canada is somewhere in the neighbourhood of $1,000,000,000, of which almost one-quarter is dairy production. Something like 15 per cent of the population of Canada derives the major portion of its income from the dairy industry, including, of course, those engaged as farmers in the production of dairy products, and the various other agencies having to do with the manufacture and distribution of these products.

I think I am correct in saying that butter was one of the first commodities on which a ceiling was established. At the time the price of cheese was fixed last year, that price was considered fair. But there has been a substantial increase in the price of cheese since then, and I think also in the price of milk for manufacturing purposes, so it will be seen that the return of the farmer engaged in the production of butter fat has not similarly increased. Then, when we realize that about one-half of the dairy farmers of Canada are engaged in the production of butter fat we get some idea of the number of people who are being discriminated against, to a certain extent, in connection with the production of their portion of our dairy products.

I believe it was the hon. member for Fraser Valley (Mr. Cruickshank)—and perhaps there were others as well—who referred to the shipment of dairy cattle to the United States and spoke of the resulting depletion of Canadian herds. This has some bearing on the matter. As a breeder of dairy cattle I wish to say emphatically that I do not believe we should take any action that would tend greatly to disturb that market. For many years the breed associations of Canada have spent a great deal of time, money and effort in fostering and developing a remunerative market in the United States for surplus dairy cattle, and anyone who is breeding dairy cattle knows that each year there is a surplus to be disposed of in some manner. Dairy farmers do not sell all their best cattle. They sell a few good ones, mixed with a few ordinary ones to balance up; and no wide-awake dairy farmer is going to break down the general level of his herd, even if the price is attractive. He will protect himself in any event.

In order to support my suggestion that we should increase the price of butter, I want to refer to the depletion of butter stocks and the decrease in the production of butter. I have before me the storage figures as of the end of May for the years 1940, 1941 and 1942. According to figures released by the dairy branch of the department, we had in store as of the end of May, 1940, some 10,337,000 pounds of butter. As of the same date in 1941 we had 9,580,000 pounds of butter in store, and on the same date in 1942 we had 5,838,000 pounds. So there has been a decrease of about 4,000,000 pounds in the amount of butter in storage. But that does not tell the full story. With the normal increase

in population in Canada, amounting to about 180,000 persons annually, at 30½ pounds of butter per year per person we have a normal increase in the consumption of butter amounting to about 5,000,000 pounds. Therefore, presuming that this year we have a normal increase in population, we have a prospective decrease in the available supply of butter amounting to between nine and ten million pounds, which is likely to lead to a serious situation if this trend continues. Then, according to a report covering the nine principal cities of Canada, as of June 1, 1941, there were available in those cities some 9,000,000 pounds of butter. At the same date this year there were available only 3,000,000 pounds of butter, which indicates a definite trend in the butter situation. Since we produce perhaps five-sixths of our butter during seven or eight months of the year, it is essential that we build up a substantial surplus during the months of high production, or we are going to face a very great shortage later on in the year.

The increase in the price of cheese had the effect of substantially increasing the production of that commodity during the first four months of this year. In the first four months of last year we produced approximately 7,000,000 pounds of cheese, but with the increased price prevailing this year the production in the first four months was about 26,000,000 pounds.

In the province of Quebec they have what are known as whole milk creameries which buy the whole milk and separate it. No less than forty-five of these creameries switched over from the production of butter to the production of cheese. While that situation does not prevail in Ontario, it indicates the trend. The lack of equality between the price of butter as compared with the price of cheese is due in a large measure to an increase in the price of cheese this year of approximately four cents a pound, along with the continuance of the government bonuses of last year. On cheese scoring 93, which represents an average score, the bonus amounts to approximately 3 cents a pound of cheese. One pound of fat produces 2·6 pounds of cheese, and therefore such assistance represents 7·8 cents a pound on fat if it were manufactured into butter. I am aware also that the government absorbs a portion of the 20 cents a pound cheese price.

With prices of butter and cheese at present levels, prices received per pound of fat by the primary producers are approximately 36 cents and 51 cents respectively, an advantage of 15 cents a pound of fat to the cheese patron. This would amount to 52½ cents per 100 pounds for 3·5 per cent milk. Of course the butter producer keeps his skim milk on the farm, and some question might arise as to the value of that skim milk. Some put this at 15 cents per 100 pounds, some at 20 cents and others at 25 cents, but if we take 30 cents, which would be the top price for skim milk, there is still an advantage accruing to the cheese patron of approximately 22½ cents per 100 pounds for 3·5 per cent milk.

I see no reason why one half of the dairy farmers in Canada should have to carry this heavy burden as far as their price returns are concerned. We must keep in mind that there is an unlimited export market for cheese, but the market for butter is domestic. According to the figures I have given, without question we are facing a butter shortage in the Dominion of Canada. The only logical remedy is to increase the price of butter in order to give the producers added encouragement. I do not see why there should be such a great difference in the return received by a farmer producing a commodity that is to be sent overseas and the farmer who is producing a commodity that is kept in this country. The general level of wages and employment in Canada is at a high point at the present time, and there is no reason why a fair price should not be paid to butter producers.

I urge that consideration be given to increasing the price of butter fat by at least five cents a pound. This increased price would not bring the return of the butter producer up to that of cheese or manufactured milk producers, or those who are commonly termed fluid milk producers, but it would provide an incentive to increase production. We should take strong measures to prevent the possibility of the rationing of butter in Canada which might bring about an agitation for the manufacture of oleomargarine or some other substitute. Butter is a nourishing, health sustaining food, and we should recognize the needs of the Canadian butter producer and give him a fair deal.

Mr. GARDINER: Before there are any further remarks, perhaps I should explain that the break-down of this vote of $1,514,950 is $14,950 for administration and $1,500,000 for the purchase of butter. The only time at which butter would be purchased would be when the price falls below 32 cents a pound at Montreal. In other words, $1,500,000 of this vote may or may not be used. The ceiling price on butter is 35 cents a pound and the floor is 32 cents a pound. Even with the present ceiling price, the price of butter is dropping at the present time. If it goes down as low as 32 cents a pound the board has power to go into the market to buy butter in order to prevent the price from going lower. We are taking protection against the running down of the price. The floor is

set by the Department of Agriculture; but, as has been said, the ceiling price is under the control of the prices board.

Mr. WARREN: I should like to say a word or two in connection with one feature of the remarks of the hon. member for Victoria, Ontario (Mr. McNevin), that is, the sale of dairy cows in the United States. I do not think that business ought to be interfered with at all. There is no more treacherous or risky business than the handling of dairy cattle. I know of one man who has been coming here from the United States since 1917 in order to purchase dairy cows. He takes them to his farm near Watertown, and other United States dairymen come here to purchase cows. Last year this man spent $100,000 in one district. The cows he purchased were not necessarily all raised in that particular district. The dairymen may deal in cows on the side. Some of these men will go perhaps one or two hundred miles out of the district in order to buy cows to increase their herds or to have some for sale. The United States buyers come in, and they generally know where they can get a truck load of cows to take back. We have had this amount of money coming in to help relieve a surplus of dairy cows. If there were no market for these dairy cows, many farmers would not raise their heifer calves. They know they have a chance of getting rid of any good dairy cows that they might have. Every year they are raising heifer calves, and in that way not only keeping up their own herds but having a surplus for sale. I think that market should not be interfered with but rather encouraged because it has been of considerable benefit to the dairymen of the whole district.

The ACTING CHAIRMAN (Mr. Bradette): The next item is $978,271 for the special products board.

Mr. HANSON (York-Sunbury): I wish to ask the minister some questions with respect to the dehydration of potatoes and to show how it affects us in New Brunswick. I am aware that two orders in council were passed, one in December of last year and another one more recently, making an appropriation, I presume out of this vote, to extend the policy of providing additional dehydration equipment. During the last war a substantial amount of dehydration was carried on in New Brunswick, and it was associated with the manufacture of starch. I am told that that is the only economic way in which the dehydration of potatoes can be carried on, because the peelings of the potatoes and the washings contain all the elements that are required in the manufacture of starch, and I am told further that the manufacture of the starch will cover the whole cost of the dehydration process.

We are desirous of having a couple of plants established in New Brunswick. The advantages would be obvious. Ninety per cent of the weight of a potato is water. Therefore a freight on three dollar potatoes shipped to a point in Nova Scotia means a considerable loss entailed in freight, and if the dehydration plant is not run in connection with the manufacture of starch, that specific part of the product which would make starch, the peelings and the washings, goes down the sewer. That is not a profitable proposition; it is not an economic method.

There are people in New Brunswick who are willing to operate a dehydration plant for potatoes in conjunction with the starch industry, and I ask the minister if he will not see that arrangements are made for the establishment of two plants in that province for the dehydration of potatoes. There is no such plant in Prince Edward Island, and perhaps consideration might be given to establishing one there too.

I am satisfied from what I have learned, that if one or two dehydration plants were established in New Brunswick in connection with the starch factories at present established there, all that freight would be saved, and it would be the economic way to handle the product. I am told that during the last war there was a plant in Carleton county, New Brunswick, employing 150 hands. It is said that the product was not perhaps as good as it ought to have been, but scientific processes have advanced a long way since then, and I understand that a product of the proper quality can now be produced.

The provincial department of agriculture of New Brunswick has been in communication with the minister and is asking for this. It would not be a large expenditure, and since we have had very little war work down in New Brunswick I would urge the minister to give serious consideration to appropriating $50,000 to establish two plants in New Brunswick for the dehydration of potatoes. There are men there who are willing to erect the buildings and do everything else that is necessary if this grant be made, and it might be returned to the department out of the profits.

I am making this plea on behalf of the New Brunswick potato producers. They have at times a surplus of potatoes. There may not be a surplus this year, but in three out of four years they have a surplus and this is one way in which they could utilize their surplus product. The suggestion I am making is the economic way of handling the situation

with respect to potatoes. I am not speaking with regard to other vegetables at all. I have no plea to make for them. They can continue to be dehydrated in the plants already established in Nova Scotia; but with respect to potatoes I think plants ought to be established near starch factories, because this would not only mean a substantial saving in freight rates but a saving in the peelings and washings which could be converted into starch and which now go down the sewer. That is the way in which the matter is represented to me, and it seems to me to be a reasonable proposal. I hope the minister will give it his favourable consideration. Is it not true that the provincial department of agriculture have asked for this? Is it not true that they have pointed out the economic value of such a proposal? If they have, I just wish to supplement their representations to the minister with my own.

Mr. GARDINER: The committee will realize, of course, that the discussion in connection with dehydration should properly take place under one of the previous items, but I think it is quite proper that I should answer now the question put by the leader of the opposition.

The matter does not come under the special products board, which was set up for the purpose of making arrangements with Britain with regard to any products other than those which come under the dairy products board or the bacon board. It has to do with eggs, for example, and other products of that kind.

It is true that the government of New Brunswick have made representations along the lines just stated by the leader of the opposition. One of the members of that government, as the leader of the opposition knows, is one of the big producers in that province and probably knows as much about the matter as anyone else there. The hon. member for Victoria-Carleton (Mr. Hatfield) is also quite a producer in that area, and I think he too will agree with everything that has just been said by the leader of the opposition.

The representations made are as has just been stated by the leader of the opposition, that if the dehydration process is carried on at a place where there is not a plant which is producing starch, this adds greatly to the cost of the dehydration. In other words, one has to be more careful about the peelings in order to get the full value out of the potato. But when the dehydration is done in conjunction with the making of starch, the peelings can be of any thickness desired, in order to make sure that the rest of the product is pure potato for making the dehydrated product.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): And the washings are not wasted, as well as the peelings.

Mr. GARDINER: Yes; that also is involved. In other words, the cost is pretty well taken care of by using the outer part of the potato for starch. That is the representation made to us, and any investigations and inquiries we are making with regard to the placing of any dehydration plant for vegetables in New Brunswick are in relation to establishing a plant for dehydrating potatoes in relation to the plants already there. If anything is done, I can assure the leader of the opposition that an effort will be made to have the first developments take place where there are starch-producing plants in order to get exactly the results which he has indicated.

I would point out, however, what was pointed out by the hon. member for Yale (Mr. Stirling), last night, and what I emphasized later, that this plan is still in the experimental stage. We have had discussions with the representative of the British food ministry with regard to the whole matter. The British government are establishing dehydration plants on the same plan in Great Britain and hope to make use of them before coming to us for our products. We are following along the line which the hon. member for Lethbridge suggested last night, of trying to see ahead to what might be expected from this country in potatoes and other products that might require dehydration. Up to the moment we have no orders, and we have no assurance from Britain that we shall have orders; but we are confident that the establishment of some of these dehydration plants, particularly those that can be operated in association with other plants such as the starch plants in New Brunswick, is required and would be of assistance in connection with the war, and if not, that they would still be of benefit in dealing with the surpluses which we have occasionally in times of peace. Any assistance we give in that direction in that area, if the development leads to an increase in the number of plants, will be made just along the lines suggested.

Mr. HANSON (York-Sunbury): I am content with that.

Mr. HATFIELD: I am glad to have the assurance of the minister that New Brunswick is receiving attention with regard to dehydration plants. During the last war I had a lot of experience in the dehydration of vegetables, both potatoes and turnips. I was interested in a company which dehydrated practically 90 per cent of the potatoes and turnips which were dehydrated during the last war. For the most part the quality of the goods proved

satisfactory, especially to the French government, for whom we manufactured a vegetable soup mixture.

What has been done to meet the shortage of milk cans? We have in my constituency a cheese factory, but we cannot secure milk cans for conveying milk to the factory. Has anything been done toward the securing of cans?

Mr. GARDINER: With regard to the manufacture of milk cans, it is, of course, a priority matter which has to be dealt with by the priorities people. They have given to the production of milk cans what we think is a liberal amount of the requisite materials. It may not be as much as could be used, but still, as compared with other uses that are made of the same materials, we consider it is a liberal provision.

Some attempts were made to bring old cans back into use for the purposes for which they were intended. It has been found that milk cans are piled up almost anywhere and used for almost any purpose. Hundreds of them were brought back in compliance with a regulation which compelled people to return cans which were owned by the people who were presumed to be using them, and many cans were uncovered in various places. One official told me the other day that dozens of cans were found piled up behind one building last winter, and frozen in the ice. They had to chop the ice away in order to get the cans out for use at a time when there was a shortage of cans in many parts of the country. Efforts are being made to utilize all of the old cans which can be found and put into condition to be used. An effort through priorities is also being made to have a proper number of cans manufactured.

Mr. HATFIELD: We have had cans on order for over four months, and have not received a can, and the manufacturers tell us that they cannot secure any material.

Mr. GILLIS: I should like to make an inquiry of the minister with respect to the regulations being administered for the marketing of wool. This is about the only item under which I can make that inquiry .

Mr. GARDINER: It really does not come under this. Properly it would come under my general estimates.

Mr. COLDWELL: Perhaps the minister will be good enough to answer the question.

Mr. GARDINER: Yes, if it is not too long.

Mr. BLACKMORE: Will the minister tell us what does come under this item.

Mr. GARDINER: Eggs, principally.

Mr. GILLIS: I have received several complaints from Nova Scotia with respect to the regulations laid down a year ago with regard to the marketing of wool. I made inquiries from Mr. Dick, the wool administrator, who referred me to the wool board, and I have not heard anything from them, but he did advise me that the regulations came under the purview of the Department of Agriculture. The complaint is that prior to the enactment of these regulations the wool was gathered by agents from the farmers, and that all of the wool was marketed in that way. In addition to that, the farmer had the privilege of selling direct to the factories. Since the regulations were enacted, all of the wool has to be marketed through regular grading centres. The farmers complain that they are receiving less money now for their wool graded in that way than they were prior to these centres being set up, when it was taken direct from the farmer. It is necessary at times to ship the farmers' wool as far as three hundred miles, and the result is going to be that probably 50 per cent of the wool will be left on the farms. I do not know anything about the matter; that is the information I get from men who are engaged in this work. Would the minister enlighten us as to what the regulations are, how many centres are set up in that province, and what is the price now compared with the price prior to the enactment of the regulations?

Mr. GARDINER: As regards the last question, I think I can answer it by saying that there is very little comparison between the price now and the price previously, because the price previously was pretty much a pre-war price, and of course the price of wool jumped rapidly after war was declared. I believe it was the first product which was put under control by the government, because of the demand for it for making uniforms and other clothing necessary for war purposes, which resulted in a rapid rise in price.

As far as the other matter is concerned, I think it could be much more effectively discussed under my general estimates, because of the fact that I have not the information here with regard to it. It is an item in the estimates having to do with grading, and really comes under the regular estimates, and if the suggestion meets with the approval of the hon. member I would prefer to leave the matter until that time.

The ACTING CHAIRMAN: The next item is: "Freight assistance on western feed grain, $2,000,000."

Mr. COLDWELL: Would the minister explain just what is being done with regard to assistance in the movement of grain both east and west?

Mr. GARDINER: The arrangement relates to grains that are used for feed, and it includes wheat as well as coarse grains, and corn going west, not going east; corn going west from Manitoba to British Columbia, for example, but not corn coming east. All mill feeds are included as well. We are paying the freight from Fort William east to points in all of the provinces east; and on grains going west we are paying freight from Calgary and Edmonton west into British Columbia to be used for feeding purposes. Those payments up to date amount to about $5,000,000. We estimated that they would cost us about $6,000,000 throughout the year, but up to date we have paid out about $5,000,000. In short that is what is happening.

Mr. COLDWELL: Well, it is mill feeds, coarse grains going west? What grades are included? Is anything being paid on low grade wheat?

Mr. GARDINER: It is being paid on all grain, on everything declared to be feed. We pay freight.

Mr. COLDWELL: Has the minister had complaints from poultry feeders and others in British Columbia regarding the prices they are paying for this grain, as to whether they are getting the advantage of this bonus or not? When I was out west in December I heard complaints, but I did not receive any specific proposals or suggestions. I wondered if complaints had been made; if so, what was in them, and what had been done.

Mr. GARDINER: We have had no complaints at all of just the nature that is suggested. We have had complaints arising from misunderstandings with regard to what freight rate was going to be deducted. There is a special order known as tariff 145 under the transport board, the old railway board, which by reason of representations made by the hon. member for New Westminster (Mr. Reid) over quite a number of years resulted in a reduction in the rate on grains that were being sold for feeding purposes in British Columbia. When we put the regulations into effect covering British Columbia we provided that that was the freight rate we were to pay wherever it was applicable. The suggestion has been made that some people have been preventing that from going into operation, as was intended, to the disadvantage of some others, and we have been correcting the situation from time to time. I think it is working satisfactorily now.

[The Acting Chairman.]

Mr. HANSON (York-Sunbury): As I understand the position in reference to fertilizers, this is for the production of fats, to which the minister has referred, to be devoted to the war effort, and it has no relation whatever to assistance to farmers in the production of other crops.

Mr. GARDINER: No. The intention is to assist farmers to produce coarse grains for feeding purposes in order that they might be fed to live stock to produce fats or dairy products or pork or beef products.

FINANCE

The ACTING CHAIRMAN: The next item is "auditor general's office".

Mr. ILSLEY: The items of the finance estimates are: first, the auditor general—

The ACTING CHAIRMAN: Shall we take them seriatim?

Mr. ILSLEY: I think that would be best.

Mr. CHURCH: In regard to the auditor general, the most important quality in management in war time is decision; indecision is fatal, and we should have some explanation of this item with regard to the auditor general's office. The first essential in that office as well as in that of the minister is the formulation of a definite policy from the point of view of objectives we have here. I wish to call attention to section 50 of the Consolidated Revenue and Audit Act, 1931. This item before us relates to the auditing and checking of war accounts, the amount involved being $146,000,000 overdraft in civilian accounts of departments. There has been a great deal of complaint ever since the war started about the very large expenditures that have been made both in the main estimates, which have not yet even been discussed, and in special appropriations. There has not been one day calling of supply in seventy-eight days. In my opinion this particular item should not have been enlarged without the consent of the house. I raised this question last year on a vote for the auditor general's office, because many of these votes, I suggest, are illegal. Subsection 2 of section 50 of the audit act reads:

> In reporting the result of his examination and audit to the House of Commons—

He is not an officer or official of the government; he has nothing to do per se with the government. He is directly responsible to the

House of Commons for every dollar expended. I contend—and I think I can prove the point to the satisfaction of the committee—that half the money being voted is not for the war at all or the defeat of Hitler, but for purposes that will not materially assist in winning the war. I continue the quotation from section 50:

In reporting the result of his examination and audit to the House of Commons, the Auditor General shall call attention to every case in which

(a) a grant has been exceeded.

May I point out that by a minute the treasury board can overrule the auditor general and spend any money it likes. The treasury board consists of a certain number of ministers, and if they are not present the minister himself can authorize payments by order in council during the period of the war, with the result that hundreds of millions of dollars have been expended in this way. These items added together come to $146,000,000, and the house has not been in committee of supply to pass on any of these votes. The act provides that the auditor general shall call attention to:

(b) moneys received from sources other than the grants for the year to which the account relates have not been applied or accounted for according to the direction of parliament; or

(c) a sum charged against a grant is not supported by proof of payment; or

(d) a payment so charged did not occur within the period of the account, or was, for any other reason, not properly chargeable against the grant, or was in any way irregular; or

(e) a special warrant authorized the payment of any money; or

(f) an objection of the auditor general was overruled by the governor in council of the treasury board; or

(g) a refund or remission of any tax, duty or toll has been made on the authority of any act of parliament; or to any other case which the auditor general considers should be brought to the notice of parliament.

My objection is that the whole procedure of parliamentary government in Canada has been upset. Money is being spent illegally, and the situation is getting out of hand. There was a civil war for 100 years in England for the purpose of obtaining control over expenditures, and yet millions, indeed billions, are being expended without proper supervision on the part of parliament. We are heading for national bankruptcy. This vote is part of a total of $146,000,000 all told, an overdraft run up since the last estimates, over our heads. When the Tupper government went out of office in 1896, Canada's total estimates three years before the South African war amounted to $36,000,000. Our civil departments now run up over our heads a total overdraft of $146,000,000 largely not for war at all, and without one dollar coming before the committee of supply, and are only postmortems. Surely we should have a better system than this. If the war goes on for two or three years more the country will be bankrupt, because we have never had committee of supply or ways and means to veto these expenditures, or any say at all, and there is no means of bringing these matters to the attention of the house because the house will not even listen to what is said. We need an auditor general like auditor general McDougall to tell the heads of the departments and ministers who are spending a mint of money like water, illegally over our heads, exactly what the act requires of them. What control has the auditor general over the great Pooh-Bah, Donald Gordon, for example? We found none at all. He is in parliament himself. Just before Easter I asked the minister what the new corporation of price fixers and ceilings would cost. He did not even know. He said he would find out and let me know later. Then during the Easter recess Mr. Gordon announced with a great flourish at Canadian and empire clubs it would be a vote of $2,000,000, directly against this section of the audit act which requires it to be reported to the House of Commons by the auditor general, and submitted to the committee of supply. Such a farce! What a system!

I should like to find out what is the present audit system as applied to our finances. I raised this just before we closed last June and the Minister of Finance did not know what it would cost or was all about. I said each department had its own auditors. Take one department, munitions and supply and the three defence forces. Almost everyone has an auditor; different departments audit their own accounts. I want to know what central controller check or control parliament has. The auditor general is responsible to us here, not to the government; what control has he over our heads of war expenditures, as they have in England?

Mr. ILSLEY: The auditor general conducts post audits, not pre-audits. He has a comparatively small staff, between three and four hundred. I think to be exact it is 357. That staff of course does not compare in size with the staff of the comptroller of the treasury. The comptroller of the treasury pays the bills that are due from the government. The staff there is very large. I could not say the number offhand, but I think the temporary staff is between 3,000 and 4,000.

The auditors that the hon. gentleman has spoken of as being in the various departments are employees of the comptroller of the treasury. His responsibility is very great; for it is he who makes sure that the amounts are due and payable, that they are authorized by some statute or vote of this parliament, and that the proper allotment has been made. All that must be ascertained before the accounts are paid.

There are no auditors so far as I know who are responsible to the various ministers other than the Minister of Finance. There may be some exceptions to that; I think one is that the Department of Munitions and Supply act as agent for the United Kingdom government in purchasing and making payments in this country, and that department has a certain financial staff of its own which is engaged in this work which it has undertaken on behalf of the United Kingdom government. I do not think there are any other exceptions, but if so they are insignificant. The cost accountants and auditors and so forth are members of the staff of the comptroller of the treasury.

The auditor general as an officer of this parliament, responsible to this parliament, comes along afterwards and makes test audits here and there, checking three things: first, that there is a vote that is authority for the payment of the money; second, that there is a proper allocation out of which the money can be applied to the purpose to which it has been applied; and third, that the facts justify the payment. That is the system of audit of payments in this country, putting it very generally.

Mr. HANSON (York-Sunbury): I think I raised this question once when I discovered a certain order in council. The minister will agree with me in this general statement, that the underlying principles of the Consolidated Revenue and Audit Act have been largely set aside for war purposes, owing to the exigencies of the occasion. A new system has to a degree supplanted what was intended by the audit act passed in the early thirties, and which was intended to be a safeguard of public expenditure. The audit act was modelled with great care. The present auditor general was then, I think, the comptroller of the treasury. I remember the matter being referred to the banking and commerce committee, and we went into it with great care. It was intended to plug up some of the holes that had been found in the old system with respect to expenditures by departments without a vote of parliament. The minister has explained that it was necessary to set up a new system to take care of the present situation. I have been content with that all along, but I should like to have his assurance that the greatest care is being exercised in the checking of accounts before they are paid.

There is the question of cost-plus contracts. Per se I have no objection to cost-plus contracts. They operate well if everyone is honest. The danger is that all people are not honest in working out cost-plus contracts. I am content for my own part—I am not speaking for anyone else—to let it go without any further discussion, on the theory that the minister and his officials are watching the matter carefully. If we find that the system does not work, or if there are abuses, then I think the position will have to be reviewed.

Mr. ILSLEY: Yes. The section of the Consolidated Revenue and Audit Act to which the hon. gentleman refers—I am not sure of the number—is a very important section. But it proved to be unworkable under war conditions. In the fall of 1940 the Department of Finance did considerable work in devising a change in the system which would enable war business to be proceeded with. There is an order in council—

Mr. HANSON (York-Sunbury): Passed under the War Measures Act.

Mr. ILSLEY: Yes, passed I think on November 19, 1940, effecting an amendment to that vital and important section. But I think that no exception can be taken to the order in council on the merits. The exception that was taken on one occasion was that we should have come to parliament for such an important change; that was debated here.

Mr. HANSON (York-Sunbury): Parliament was in session then, in November, 1940.

Mr. ILSLEY: Yes. The new plan was worked out in September and October. The order was drawn and redrawn, suggestions made and further changes, and a tremendous amount of work put on it. I think it is a very workable order and that it adequately protects the treasury. The objections that I get are not that amounts are paid without adequate investigation, but the reverse—that accounts are delayed; that the comptroller of the treasury is obliged to make such careful investigation that persons dealing with the government do not get their money as soon as they should.

Mr. HANSON (York-Sunbury): That is because of congestion of business, I expect.

Mr. ILSLEY: Yes, very largely.

Mr. CHURCH: I want to place this responsibility. There are twenty-five of these

boards expending money without the authority of parliament, ultra vires. I read from the auditor general's report, for year ended March 31, 1941, page 541:

There are approximately twenty-five statutory or corporate bodies performing administrative functions.

He includes as corporations the Department of Munitions and Supply and several others. He says:

In some instances the exercise of financial control is similar to that applied to expenditures of a department under a minister. . . .

But notice these words:

. . . but the terms of some acts are of such a nature as to vest final responsibility in the corporate management. The various acts stipulate whether the audit of accounts is to be by the auditor general or by commercial auditors. With the growth of this means of administration, it may be in the public interest to establish a practice whereby any qualification in an audit certificate may be promptly investigated and a procedure provided whereby expenditures may be recovered when an ultra vires payment is established.

That is the practice in New Zealand in connection with corporations and boards corresponding to our Department of Munitions and Supply, for example. In New Zealand it is provided by legislation that these corporations have to account to parliament for their expenditures; and if payments are made ultra vires of their authority a great deal of the money can be recovered. That is what should be done here, where we are paying out hundreds of millions of dollars.

I should like to refer to the travelling expenses of these non-salaried officers, the dollar-a-year men, which are referred to at page 540 of the auditor general's report. He directs attention to the fact that many of these payments are illegal. That places an onus on me as a member of parliament; but now, having done my duty in bringing the matter to the attention of the house, I am absolved of any responsibility. We have hundreds of these men whose travelling expenses are being paid. They are running all over the continent of north America, giving lectures and all the rest of it. In this regard the auditor general states:

The status of those who serve without remuneration is indefinite for executive travel regulations purposes. The audit disclosed cases of travel expenses being paid, although the records do not establish that the individual holds any public appointment.

They have no authority at all; they are not acting as agents of parliament, and the auditor general calls the situation to our attention. Here we are in the seventy-eighth day of the session, yet we have never had a chance to say a word about it.

The trend of policy now is to have such individuals certified as appointed without remuneration. More generally, appointments without salary are made by an executive order which stipulates, as a rule, a per diem allowance which may be claimed in lieu of a detailed accounting for subsistence and shelter. But cases were noted of accountings being made without employing the permissive per diem rates. Neither departments nor the treasury insisted on non-salaried officers submitting claims in the detail required from salaried officers. Likewise, the standards of travel to be observed by salaried officers were not strictly applied to those who serve without remuneration.

Then he goes on to refer to some matters in detail. No doubt we have a good auditor general; he has served under very fine ministers, but there is no public control over the great amount of money we are spending and we refuse to back him up and veto it. I can tell you that money is being wasted all over Canada, with absolutely no control and no report made to parliament. I am dealing with an important matter, which directly affects the navy department, and I think I should have the attention of the minister of that department, as well as the attention of others in the committee, to whom I am speaking. I should like to have order. I am not raising this question for fun, and I do not wish to be interrupted. I have brought up matters in the house relating to the navy, with regard to expenditures, and I have been unable to get proper replies from the minister. I object to this being treated as a trivial matter. We have appointed an auditor general, a good man who has done his duty. Would that we had an auditor general like Mr. McDougall; such is needed to-day.

I object to the way the business of the country is being conducted. I can only add this, that now I have brought the report of the auditor general, and the illegal expenditures that have been made, to the attention of parliament, I have done my duty. The last time the estimates were under consideration I also raised this question, and pointed out that we have no control over these expenditures. I can tell you this, that in many cases we have no audit at all. Even if we have an audit which is not satisfactory, the taxpayer is not protected. Some of these contracts are not carried out properly, and in my opinion something should be done about it. We have in the house many hon. members representing the farmers. Do they know of any private corporation that could vote money

like this, and stay in business? Here we are spending a mint of money without proper control; the country is suffering; the minister is proposing to impose income taxes and various other taxes on the poor people; the men running our retail stores are being put out of business. The other day the chairman of one of our boards said the competitive end of any business was through for the duration of the war, and after the war is over these bureaucratic boards will continue to spend money like water and just snap their fingers at the high court of parliament. We might just as well go home if we are to have this expenditure of public money in this way, without any public control. How are the war expenditures dealt with? Well, we have the report of the auditor general; we know how that is done. I object to these expenditures, Mr. Chairman. I have raised the question, as I did last session, and having done so I have done my duty.

Progress reported.

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

Thursday, June 4, 1942

The house met at three o'clock.

REPORTS OF COMMITTEES

Second report of standing committee on banking and commerce.—Mr. Moore.

Second report of standing committee on standing orders.—Mr. Golding.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*SHIPPING LOSSES—LIQUOR CARGOES

Mr. NICHOLSON:

1. Were there cargoes of liquor on the boats which were recently torpedoed in the St. Lawrence?
2. If so, who were the shippers and what were the quantities carried?

Mr. GIBSON: The answer to the first part of the question is no, but I should like to make it clear that in replying as to liquor I include beer and wine as well as spirits.

AIR FORCE—ORDER AS TO PLAYING OF "O CANADA"

Mr. LaCROIX (Quebec-Montmorency):

1. Has the headquarters staff for air issued an order that men of all ranks in the air force shall not come to attention when the national anthem, O Canada, is played?
2. If so, why has such an order been issued?
3. Is it the intention to rescind such order?

Mr. POWER: The status of "O Canada" is at present being discussed at defence council.

[Mr. Church.]

JOHN A. GREEN

Mr. ISNOR:

1. Is John A. Green employed by any branch of the government in connection with work being carried on at the port of Halifax, Nova Scotia?
2. If so, when was he appointed?
3. Is he a Canadian?
4. What are his duties?
5. What salary is he receiving?
6. In addition to his salary is he allowed any other expenses?
7. What was he doing prior to his appointment?
8. What experience or special qualifications has he for his present duties?

Mr. MITCHELL:

1. Yes, Mr. John A. Green, Department of Labour.
2. Effective from April 20, 1942.
3. No, American citizen.
4. Port loading superintendent.
5. None.
6. Living allowance of $300 per month.
7. In the employ of the Eastern Canadian Stevedoring Company, Montreal, P.Q.
8. Many years experience in eastern Canadian ports in the organizing of labour for the loading and unloading of ships.

HALIFAX WARTIME ADMINISTRATOR

Mr. ISNOR:

1. Has a wartime administrator been appointed for the port of Halifax?
2. If so, what is the name of said administrator?
3. What are his duties?
4. What are his special qualifications for such work?
5. Where was he employed before his appointment to his present position and what was his salary?
6. What salary will he receive as wartime administrator at Halifax?
7. Will he receive any allowances such as living or expense allowances? If so, what?
8. Was he allowed any transportation expenses to Halifax? If so, what amount?
9. What were the reasons for the appointment of such a person to the port of Halifax, (a) was there a lack of proper supervision of harbour facilities; (b) was there a loss of time in the docking of ships; (c) was there inefficiency in the directing of traffic through the port?
10. Will the administrator's authority rank higher than that of the navy in respect to control and direction of traffic?
11. What, if any, experience has he had in shipbuilding and ship repairs?

Mr. MITCHELL:

1. Yes, controller of loading operations at the port of Halifax, N.S.
2. Vincent C. MacDonald.
3. Indicated in detail in order in council P.C. 3511, of April 30, 1942, copy attached.
4. Experience as arbitrator for the port of Halifax under the Department of Labour. He

also made a complete investigation of ship-loading conditions at Halifax at the request of the Minister of Labour.

5. Dalhousie university, dean of the faculty of law; salary not known.

6. $300 per month for period May 1 to August 31, 1942, and at such salary thereafter as the governor in council may fix.

7. Actual travelling expenses when absent from place of residence in connection with his work as controller.

8. No.

9. Appointed because of constant demands that loading operations should be speeded up. In particular, the reasons for the appointment were not those implied in question 9 (a), (b) and (c). Investigation revealed (1) the need of greater effort to regularize the volume of ocean traffic in order to secure better adjustment of the demand for and supply of longshore labour, (2) insufficient advance notice of ship arrivals to permit securing the numbers and categories of workers required in time, (3) lack of a proper system of call and hiring, (4) insufficient supply of longshore labour at various times, (5) various defects in working practices, (6) lack of coordination of the loading and unloading operations throughout the port as a whole, (7) priority of union members over non-union employees in employment.

10. The controller is concerned with the loading and unloading of ships and not with the direction of traffic.

11. None. His duties are not concerned with shipbuilding and ship repairs.

P.C. 3511

At the Government House at Ottawa
Thursday, the 30th day of April, 1942.

Present:

His Excellency the Governor General in Council:

Whereas the Minister of Labour reports that as directed by Order in Council P.C. 1758 of 9th March, 1942, and after consultation with representatives of the shipping and stevedoring companies and the longshoremen's union of the port of Halifax, he has prepared a wartime plan for the reorganization of ship loading and unloading operations in that port embodying in substance the basic elements set forth in said order in council with such variations as now seem expedient to him and that it is desirable that this wartime plan be incorporated in a new order in council;

Now, therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Labour, and under authority of the War Measures Act (Chapter 206 of the Revised Statutes of Canada, 1927) and of the National Resources Mobilization Act, 1940 (Chapter 13 of the Statutes of Canada, 1940), is pleased to make and doth hereby make the following order:

Order

1. There shall be a controller of loading operations; a port loading superintendent; and a chief dispatcher for the port of Halifax, Nova Scotia, to be appointed by the governor in council.

2. It shall be the duty of the controller of loading operations (hereinafter referred to as the controller) to coordinate the activities of all persons, companies, organizations, associations and agencies directly or indirectly engaged or concerned in ship loading and unloading operations in the port of Halifax, and to carry out all duties assigned to him by the governor in council by this or subsequent orders for the purpose of improving the wartime efficiency of such operations.

3. The controller shall have, exercise and enjoy all powers and authority necessary for the effective execution of the duties and the attainment of the objects in this order mentioned; and in particular (but not so as to restrict the generality of the foregoing) the controller shall have power and authority:

(a) To give directions to, and to make orders, and decisions binding upon, all persons, companies, organizations, associations and agencies engaged or concerned in ship loading or unloading at the port of Halifax with respect to all matters, whether general or special, other than wage rates, affecting working and hiring conditions, practices and methods in connection with ship loading and unloading operations.

(b) To decide any dispute arising in connection with such conditions, practices and methods, or generally concerning any matters arising out of the provisions of this order or any direction, order, or decision given or made by the controller, his decision thereon shall be final and conclusive.

(c) To supervise and control the establishment, operation and administration of the central dispatching agency and to give directions, make orders and decide questions relating to same.

(d) To require applicants for employment as longshoremen to register in such manner as he may prescribe and to classify such applicants and determine their eligibility for employment; to prescribe what shall constitute an active longshoreman for hiring purposes; from time to time to prescribe the eligibility for employment of different classes of longshoremen; to determine the total number of

longshoremen of all classes required from time to time for the efficient operation of the port and to arrange for their recruitment and orderly employment through the central dispatching agency.

(e) When he deems it necessary, to require the longshoremen's association of Halifax to admit to temporary membership such classes of men and in such numbers and for such periods as he may direct or order; provided that men so admitted to temporary membership shall have no right to be regarded as union members beyond the period for which they were so admitted; and also provided that during such period such men shall have no share in or right to benefit from the funds of the association.

(f) To give directions and make orders as to when and under what circumstances ships shall be worked at night or upon holidays.

(g) To appoint such advisory committees as he may deem desirable to advise him upon any general or special phases of loading operations.

(h) To recommend to the Minister of Labour any major changes or improvements in ship loading methods and facilities which may seem expedient.

(i) Subject to the approval of the governor in council, to appoint such other officers, clerks, and other assistants and acquire such office facilities as may be necessary to carry out the duties assigned to him.

4. In the exercise of his powers and authority under this order the controller shall not be restricted by the terms of any contract or agreement made between the shipping and stevedoring companies and the Halifax longshoremen's union other than as the same may relate to wage rates.

5. The controller shall appoint a personnel committee composed of the port loading superintendent, the chief dispatching officer and representatives of the shipping and stevedoring companies and of the Halifax longshoremen's union to divide the present active working personnel of the port into gangs, and to allot bosses to such gangs; and from time to time as directed by the controller to revise such division and allocation.

6. The port loading superintendent shall inspect and supervise the loading operations of the port as a whole, advise the controller and other loading agencies upon technical loading problems, and generally perform such duties as the controller may assign to him.

7. The chief dispatcher, under the supervision and control of the controller, shall administer the central dispatching agency and generally perform such duties as the controller may assign to him.

[Mr. Mitchell.]

8. The present practice popularly known as "have-a-look" is hereby abolished and longshoremen shall be called out only at regular calling hours (except in the case of emergency) and in all cases when men have reported for work upon proper call they shall be paid as from the regular hour of call.

9. Whenever a stevedoring or shipping company is loading a number of ships simultaneously it shall have the loading operations of the same under the general supervision of an experienced man of the rank of assistant marine superintendent so far as practicable, in the ratio of one for every three ships.

10. All longshoremen who have heretofore been admitted to temporary membership in the Halifax longshoremen's union under order in council P.C. 744 of 13th January, 1941, and all longshoremen who may hereafter be admitted to temporary membership in the union pursuant to the direction or order of the controller, shall enjoy complete equality with permanent members of the union as to hiring and working privileges.

11. The controller may extend the period of the temporary membership in the union now enjoyed by the longshoremen who have heretofore been admitted into the union pursuant to said order in council P.C. 744 provided the controller deems this desirable as preliminary to the establishment of the central dispatching agency and the new method of hiring referred to in Section 12 of this Order.

12. The present system of daily hiring of individuals working at the site of the work is hereby abolished and there shall be substituted therefor a new system of hiring which, subject to such alterations as the controller may deem expedient, shall embody the following principles.

(a) A central dispatching agency shall be established and shall be administered by the chief dispatcher;

(b) The present active working personnel of the port shall be divided into fixed gangs with named gang bosses;

(c) Longshoremen shall hereafter be hired in gangs and exclusively through the dispatching agency;

(d) Companies desiring gangs shall notify the dispatching agency at certain fixed hours of the number of gangs required;

(e) The dispatching agency shall keep a roster of gang bosses and shall be responsible for notifying the requisite number of gang bosses upon receipt of such notification from any company.

(f) Upon receipt of such notice from the dispatching agency each gang boss shall be

responsible for producing his gang at the required time and place; and the members of each gang when notified of work by their gang boss must appear for the work in question under penalty of loss of their dock permits, unless within three days of such failure to appear they give to the chief dispatcher a satisfactory explanation therefor.

(g) The dispatching agency shall call out gangs by some system of rotation designed to ensure equality of work; provided that if the controller considers it feasible the stevedoring companies shall each be given the privilege of calling for a certain number of specified gangs.

(h) Gangs shall be required to work at night when called upon through their bosses by the dispatching agency to do so; but the dispatching agency shall adopt some system of rotation of day and night work designed to ensure the equitable distribution of day and night work so far as practicable.

13. The controller and any person acting for or under his authority shall not be liable to any person for anything done or omitted in the exercise or purported exercise of any power or authority from time to time vested in the controller.

14. All persons, companies, organizations, associations, or agencies directly or indirectly engaged or concerned in ship-loading operations in the port shall in all matters act upon and in accordance with the directions, orders and decisions given or made by the controller under this order.

15. It shall be the duty of the controller to maintain a record of the suspension pursuant to this order of any existing condition of work established by practice or agreement, and such condition shall be fully restored, if the employees so desire, on the termination of the present war.

16. Any person, company, organization, association or agency as aforesaid who, or which, contravenes or fails to comply with any provision of this order or with any direction, order or decision given or made by the controller under this order shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding $500 or to imprisonment for a term not exceeding three months or to both such fine and such imprisonment.

17. The controller, the port loading superintendent, the chief dispatcher and such other officers, clerks and assistants as may be appointed hereunder shall receive such remuneration as the governor in council may fix.

18. Order in council P.C. 1758 of 9th March, 1942, and order in council P.C. 744 of 13th January, 1941, are hereby revoked; and order in council P.C. 1706 of 10th March, 1941, so far as it refers to the appointment of an arbitrator is hereby revoked.

19. This order shall be effective on the first day of May, 1942, except section 1 hereof which shall be effective as of April 13, 1942, and section 12 hereof which shall be effective upon written notice by the controller to the longshoremen's association of Halifax and the chairman of the shipping committee of the Halifax board of trade.

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

44561—192½

C. W. TRAIN

Mr. ISNOR:

1. Is C. W. Train employed by any branch of the government in connection with work being carried on at the port of Halifax, Nova Scotia?
2. If so, when was he appointed?
3. Where was he employed prior to his appointment?
4. What are his present duties?
5. What salary is he receiving?
6. In addition to his salary is he allowed any other expenses?
7. Did he receive any travelling transportation or accommodation expenses from the time he accepted position and up to the present time?

Mr. MITCHELL:

1. Mr. C. W. Train, V.C., is employed by the Department of Labour in connection with the reorganization of loading and unloading operations at the port of Halifax, N.S.
2. Effective from April 11, 1942.
3. Employed with the Shipping Federation of Canada in Vancouver, B.C.
4. Consultant to the Minister of Labour in connection with the reorganization of ship-loading and unloading operations at the port of Halifax.
5. $235.00 per month.
6. $5.00 per day living allowance plus transportation expenses.
7. Yes, from date of appointment to April 30, 1942, $296.60.

BRITISH COLUMBIA SHIPYARDS

Mr. MacINNIS:

1. Are the shipyards in British Columbia operating on a continuous production programme?
2. If so, how many yards are operating on the continuous production plan?
3. What percentage of the total employees are working on, (a) 1st, or day shift, (b) 2nd, or afternoon shift, (c) 3rd, or "graveyard" shift?
4. Who proposed the continuous production plan, employers, employees or government?

5. Was the continuous production plan put into effect by an agreement negotiated by employers and employees, or by order in council?

6. If by order in council, (a) what is the number and date of said order; (b) was the order printed in the *Canada Gazette*?

Mr. MITCHELL:

1. Yes.

2. Six.

3. (a) 60 per cent; (b) 30 per cent; (c) 10 per cent.

4 and 5. The production plan was put into effect by agreements between the managements and the different unions concerned, these being supplementary to existing agreements.

6. (a) The agreements were confirmed by order in council P.C. 3636 dated May 1, 1942, (b) the order has not been printed in the *Canada Gazette*.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SERVICES RENDERED BY FRANCOIS LEDUC AND ASSOCIATES

Mr. LACOMBE:

1. Have the professional services of Mr. Francois Leduc, C.E., of Montreal, and his associates, been employed by the government in connection with analyses of certain chemical products?

2. If so, when and for what period?

3. What payments have meen made to date for such services?

CONTROL OF TRANSPORT

Mr. LACOMBE:

1. Does the wartime prices and trade board control transportation in Canada?

2. Has a controller general of transport been appointed? If so, what is his name?

3. Have any regional controllers been named? If so, for what provinces?

4. Has a regional controller been named for the province of Quebec?

5. If so, what is his name, residence and occupation, and is he a French Canadian by origin?

6. Have representations been made to the authorities by any public bodies, urging the appointment of a French Canadian as regional controller of transport for the province of Quebec?

7. If so, has any attention been paid to such representations?

8. Does the government propose to give further consideration to them?

MILITARY CAMPS—FACILITIES FOR WORSHIP

Mr. CHURCH:

1. Are chapels or other facilities of worship provided in each of Canada's military camps, and what is the custom in relation thereto?

2. Are there such chapels in the larger air force camps and depots?

3. Will a survey be made in Canada on this matter with a view to providing facilities for worship in each camp?

[Mr. MacInnis.]

BUSINESS OF THE HOUSE

MOBILIZATION ACT AMENDMENT BILL

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to ask the Prime Minister when he proposes to proceed with the second reading of Bill No. 80. I ask this question notwithstanding the fact that the $2,000,000,000 war appropriation resolution is still under discussion. According to the opinion I expressed here last week that discussion should have been well over by this time, but I am not attributing blame to anyone. I do think, however, that we ought to get on with this very important mobilization measure immediately.

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say to my hon. friend that it is entirely in the hands of the house as to how rapidly we shall get on with the different government orders. My hon. friend the leader of the opposition I think agreed with me that it was desirable to have the war appropriation measure disposed of in this house before taking up another measure.

Mr. HANSON (York-Sunbury): Yes, but I had no idea then that we would spend another week on it.

Mr. MACKENZIE KING: I know, but I think in the long run the time of parliament will be saved by concluding at once the war appropriation measure rather than having the whole matter opened up again at a later stage. I share my hon. friend's desire to get on with the measure that he has referred to relating to the amendment of the National Resources Mobilization Act, and personally I would very much hope that this discussion on the present bill might conclude this week and that there would be opportunity to go on with the other measure on Monday or Tuesday next. But until to-morrow night I cannot say just when. However, I feel that we should conclude this present discussion as rapidly as possible.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): A report came over the broadcasting corporation's news service, I think last Tuesday, to the effect that the budget would probably be brought down before we proceeded with the amendment to the National Resources Mobilization Act. Has the minister any statement to make on this matter?

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, that is not the plan.

MILITARY SERVICE

CALLING UP OF TRAINEES DAILY INSTEAD OF MONTHLY

On the orders of the day:

Mr. N. J. M. LOCKHART (Lincoln): A press dispatch which was released to-day indicates that trainees are now to be called daily instead of monthly. Seven centres are excluded, and military district No. 2 is not included. I have already had inquiries in this connection. Would the Minister of National Defence make a brief statement to clarify this matter for the sake of those who are inquiring? There seems to be some confusion.

Hon. J. L. RALSTON (Minister of National Defence): In the matter of calling up trainees, what we are doing is to call them up in shorter periods in order that we may have an opportunity of better medical examination than occurs if we call them all up at once and if they go to the training centre at one time only, once a month. What we are doing now is calling them up and having them report on successive days at depots. From the depots they are sent every two weeks instead of every month to the training centres after having had the benefit of perhaps the more thorough medical examination made possible by less congestion and more time.

Mr. LOCKHART: In that connection, it was noted by one of my correspondents that military district No. 2 is deleted from that list and other military districts were included. They were rather upset about that.

Mr. RALSTON: I had forgotten that military district No. 2 was excepted. As a matter of fact I have not seen the exact list. There are some cases in which, on account of the very long distances to be travelled and the remoteness of the training centres from the depot, it might be a serious inconvenience, for instance, to have a man travel from the northern part of Ontario to the depot in Toronto and back to a northern Ontario camp.

Mr. LOCKHART: That is not so with military district No. 2.

Mr. RALSTON: I shall be glad to look into the matter.

DUTCH HARBOUR

JAPANESE AIR RAID ON ALASKA—DISPOSITION OF CANADIAN AND UNITED STATES WEST COAST FORCES

On the orders of the day:

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, the house may be interested in having a brief—I am sorry it cannot be a very detailed—statement with regard to the reported raids on Dutch Harbour.

As already indicated in the press, two aerial raids were made on Dutch Harbour which were participated in by a number of Japanese fighter and bomber planes. No further details have been received as to the extent of damage except those already published in the press.

The reports received indicate that there were some casualties, but few, and that a few warehouses were set on fire but no serious damage was suffered.

A further report received indicates that there was a third aerial attack last night. No further details are yet available as to this attack.

Raids of this kind were not unexpected, and plans previously made by Canada and the United States for such a contingency are in actual operation. Certain additional dispositions have been made. The Canadian commander in chief, west coast defences, is operating in conjunction with the commander of the United States forces on the west coast in accordance with the joint plans.

I might add regarding the army that the chief of the general staff has been for some days on the west coast and is supervising army dispositions on the ground.

[*Later:*]

Mr. RALSTON: I should like to make a statement with regard to what I said earlier this afternoon respecting raids on Dutch Harbour. A message has been received from the Pacific command—and hon. members will be glad to know this—to the effect that a further report or further message which they have received indicates that the reports which came, purporting to be from official sources, regarding the second and third raids on Dutch Harbour, are unfounded, and that there was only one attack.

CANADIAN FORCES

PERSONNEL LISTED IN DEFENCE TELEPHONE DIRECTORY

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Referring to *Hansard*, pages 2292, 2806 and 2919, where I inquired if it is possible to get from the government the number of men who are listed in the telephone directory of the Department of National Defence, naval services and army, the number who have been in this country for more than five years, and the number who are bilingual in the Department of National Defence: I already have the information from the Department of National Defence for Naval Services, and I wonder

whether it is not possible to get it for the Department of National Defence, and how long it will take.

Mr. HOMUTH: It is not necessary to have that information.

Hon. J. L. RALSTON (Minister of National Defence): On my return to the house on Tuesday I found that my hon. friend had referred to the matter when I was away. The question was raised when my colleague the Minister of National Defence for Naval Services (Mr. Macdonald) was dealing with his portion of the war appropriation resolution. I gave instructions immediately on my return to have this information obtained as soon as possible. I learned just before I came in that returns have yet to be made by seventeen directorates in the department. I hope that the information will be available very shortly.

HONG KONG COMMISSION

INQUIRY AS TO PRESENTATION OF REPORT

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I should like to ask the Minister of National Defence a question I have asked several times before. Is there any possibility of expediting the presentation of the Hong Kong report to this house? I have all respect for the chief justice, but I feel that we have waited a very long time for this report. Perhaps some steps could be taken to expedite it.

Hon. J. L. RALSTON (Minister of National Defence): I may say to my hon. friend that I know of no way from the point of view of the government of expediting the presentation of the report. I have indicated my anticipation and expectation that it would be received in due course after what I understood to be the final hearing, I think last week or the week before, but I have not heard anything with regard to the matter. I have no doubt that there is voluminous evidence to be gone over and probably considerable time has been taken in connection with the preparation of the report. I again assure my hon. friend that the government is just as desirous as he or anybody else is to have the report presented as soon as the chief justice finds it convenient to complete it.

Hon. R. B. HANSON (Leader of the Opposition): With regard to this very important matter, I think that certain other facts could be pointed out to the public which account in part at least for the delay. A certain portion of the evidence was taken, I understand, in England under commission, and that delayed the submission of arguments by counsel. Had that evidence been on hand—and I am blaming no one; it was not physically possible, I suppose, to have it here—the argument would have been over long ago and before Colonel Drew was taken ill.

The submission of counsel in writing was filed at a time anterior to the middle of May, and the oral argument was concluded on May 22. That is not a very long time having regard to the volume of evidence that was taken and the multitudinous number of questions of fact that had to be decided. I think that explanation may help to keep some people quiet for a little while.

JAPANESE NATIONALS

EVACUATION FROM BRITISH COLUMBIA COASTAL AREA

On the orders of the day:

Hon. HUMPHREY MITCHELL (Minister of Labour): For the information of hon. members, and particularly for the information of the members for British Columbia who are, I know, much interested in the progress in connection with evacuation of Japanese from the British Columbia coastal area, I thought I should make a short announcement.

Through the good offices of my colleague, the Minister of Mines and Resources (Mr. Crerar), and through the cooperation of the Indian Affairs branch, a very satisfactory arrangement has been made for housing of Japanese, particularly women and children, in a number of the residential schools which have been used for Indian children.

The plan is to have the same staff, as far as possible, which has been employed at the schools, operate them for occupancy of the Japanese. Conferences have been held with the various church organizations which have been conducting a number of the schools under consideration, and at the request of the department it has been indicated to us that the church organizations will continue to maintain the institutions for the use of the Japanese.

It has been practically decided to take over the Edmonton residential school which is owned by the Department of Indian Affairs; the school operated at St. Albert by the Sisters of Charity, known as the Youville school; a school at Elkhorn, Manitoba, and one in the province of British Columbia. It will be seen to that the education of the Indian children will not be neglected, and, if necessary, additional day schools will be provided for the continuance of their education.

This arrangement will enable a more rapid movement of the Japanese women and children from Vancouver, including those housed in Hastings park, and will also avoid the necessity of a large expenditure for buildings, which would be necessary under any other plan contemplated.

I might say for the further information of hon. members that the total moved to date is somewhat over 12,000.

Mr. GREEN: How many women and children will be accommodated in these schools?

Mr. MITCHELL: About 6,000.

Mr. STIRLING: What is the name of the Indian school in British Columbia that will be so used?

Mr. MITCHELL: I thought the hon. member would ask that question. I cannot say at the moment.

Mr. HOMUTH: Can't you pronounce it?

Mr. MITCHELL: There may be something in that.

Mr. GREEN: The minister says that he does not know the name of the Indian school in British Columbia. Does he know the district in which the school is situated?

Mr. MITCHELL: I am not as well acquainted with the province as my hon. friend, but he can rest assured it will be outside a vulnerable area.

SCARCITY OF BEEF

INQUIRY RESPECTING OPERATION OF PRICE CEILING POLICY

On the orders of the day:

Mr. T. L. CHURCH (Broadview): Has the minister any statement to make to-day on the beef situation and the collapse of ceilings in Toronto? Surely the government has had time to make up a policy. This is a very serious matter and I should like to have a reply.

Hon. J. L. ILSLEY (Minister of Finance): If the hon. member is directing his question to me—he did not make himself clear—I have no statement to make to-day.

Mr. CHURCH: It is like the housing situation, you have it in cold storage.

[Mr. Mitchell.]

WAR APPROPRIATION BILL

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

The house resumed from Wednesday, June 3, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Vien in the chair.

FINANCE

Mr. MacNICOL: When the house rose at 6 o'clock yesterday I was about to ask one or two questions, and I will now put them briefly. I believe it was the member for Témiscouata (Mr. Pouliot) who first brought up the question of the auditor general's report, and he was supported by the leader of the opposition and myself. I want to ask two or three questions in reference to the item that we are now discussing, amounting to $196,000 having to do with the auditing and checking of war accounts. I should like to have a break-down of the item when the minister replies and at the same time the amount of the similar item for 1941-42, because we have not yet received the auditor general's statement for 1941-42. Comparing this amount with the amount for 1940-41 I notice that in 1940-41 the similar item was $52,202.61. Therefore the present item is $143,707.39 more than the amount for 1940-41. Of course, it is natural to expect that it should be larger because the work of the auditor general's department has vastly increased over the last two years. In the auditor general's report of 1941 I notice at page 430 a statement from the auditor general, preceding his report on the Department of Agriculture, in which he writes:

> These accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

At page 435, referring to the travelling expenses of P. Dupuy, $1,693.20, these words follow: "Advances not accounted for, $465.70." I have been wondering how the auditor general can certify that the amount is correct if he has not the vouchers for this amount, and how many more amounts there are for which vouchers have not been presented. I often wonder if it is not possible to apply to government business the methods that county and township councils use in the conduct of their business. I am not speaking politically, because all governments have been the same so far as checking and inquiring into public accounts is concerned. But the

ordinary township council could never conduct its affairs if its business were done the way we conduct ours. I know township councils that not only have no debt but have substantial amounts in the bank and large assets. They have to conduct their affairs in a business manner. I often look at these public accounts rather hopelessly. They are so hard to dig into, one reason being that they are always a year late. For instance, we have not yet the accounts for 1941-42, and yet the heading of this item we are now considering is, war appropriation 1942-43. Not much wonder the hon. member for Témiscouata has so persistently brought up the question of the public accounts; he deserves credit for it. The same is true of the leader of the opposition; he has been a very good second—perhaps I should say first, but I know that the hon. member for Témiscouata brought the matter up first. The leader of the opposition probably went him one better; at any rate between them they deserve credit.

I invite the minister to give a break-down of this amount of $196,000 and to tell us why the amount referred to on page 435 of the auditor general's report was paid without the vouchers being submitted, at any rate without their having been submitted in time. Let me give an example of something which I think the auditor general should refer to very strongly in a recommendation to the government as to how business should be conducted. I am not blaming the government; I am not saying this by way of criticism of the minister's department. On page 438-39 there are complete details of a transaction which took place a couple of years ago—I believe it was referred to on a previous occasion by the leader of the opposition, and I am not sure that I did not refer to it myself. I refer to the purchase by the government of 5,365 cases of lobsters. If one examines the figures in the auditor general's statement pertaining to this transaction he cannot help being amazed. If this is an example of how government business is conducted, then something should be done about it. I have no complaint to make as to what the fishermen got for their lobsters; if there is one class of people who deserve good returns for their hard and dangerous work it is the fishermen. I hope they really got more than they are entitled to, if anything—it would suit me just as well; but I am sure they did not. This transaction concerned 5,365 cases of lobsters. I believe the cases contain 48 one-pound tins. The total cost, including the lobsters and all expenses associated with their disposal, was $168,379.18, made up as follows:

Purchase of lobsters	$ 88,043 83
Governmental salaries and wages	9,794 38
Travelling expenses	3,782 42
Advertising	50,244 73
Sundries	16,513 82
	$168,379 18

I am not making any comment on those expenses, nor would I say that anyone got a cent more than he was entitled to. But the returns received by the government for the lobsters totalled $97,137.02, making a loss of $71,242.16, if my figures are correct. If this is representative of government transactions it is no wonder the country is in the financial boat that it is. I am wondering what the complete duties of the auditor general are. Should he have made a report to parliament, not only in connection with a case like this but in connection with many others, directing parliament's attention to an apparently improvident transaction?

There is another item that I checked. It has to do with a motor car used in a government department—it does not matter which—and indicates what the country is up against. In 1935 $154.94 was spent on repairs on a small car, a Ford or a Chevrolet; then immediately the car was turned in on another, plus an additional cash payment of $488.85. Then in 1936, $44.85 was spent on that car in repairs; $116.72 in 1937; $333.07 in 1938, and $175.82 in 1939, a total for repairs in those four years of $670.46. The car was then turned in for another with an additional amount of $610.22. The bank of Montreal could not afford to carry on business in that way. I should think it is the duty of the auditor general, no matter how much time it takes, to notify parliament of all such improvident transactions. That is what an auditor does in business concerns. The auditor of the company I was associated with would advise the directors of such matters. It may not be an auditor's duty, but we had a very excellent auditor and if he found anything that he thought was not as it should be he would inquire into it and notify us. He would look into every voucher submitted to him that he thought was too high.

Is that the procedure followed by the auditor general's department? Does his staff inquire into every single voucher before they pass it? I know it takes competent men to do this, but there are competent men in the department. I look upon the minister as the

watch-dog of the treasury, and I know that so far as he is concerned he will do his duty. Yesterday someone said something about cost-plus contracts. Personally I am wholly opposed to such contracts. There are cases in which contracts have to be let on a cost-plus basis; but I have had a great deal to do with contracting, and I can say without fear of contradiction that by far the greater proportion of contracts let on a cost-plus basis generally cost much more than they would if they were let on a regular contract bid basis.

Mr. POULIOT: Mr. Chairman—

Mr. ILSLEY: If the hon. member for Témiscouata will permit me, the hon. member for Davenport asked a few questions which he requested me to answer immediately. First he asked for a break-down of the sum required, $196,000. That is made up as follows:

Temporary assistance	$160,000
Cost of living bonus	8,000
Stationery and equipment	10,000
Travelling expenses	18,000
	$196,000

The item of $160,000 for temporary assistance is made up as follows:

1 unclassified	$ 1,620
1 audit accountant grade 2	3,000
1 audit accountant grade 1	1,920
27 war audit accountants	72,400
14 clerks grade 4	22,680
1 clerk grade 3	1,380
22 clerks grade 2	23,760
21 clerks grade 1	16,290
1 stenographer grade 2	1,080
2 stenographers grade 1	1,560
1 typist grade 1	720
2 office boys	885
	$147,295

To this has been added for proposed additional assistance the sum of $12,705, making $160,000 in all. This amount is larger than the amount required for 1940-41 because of the expanding requirements of the war. The amount estimated for 1941-42 was $151,000. The exact amount spent is not available; the accounts are not all closed.

With regard to the item of $465.70, which appears to have been the amount of an advance to an employee or official of the government not accounted for, as I gather it, I have no knowledge of the individual transaction, but I presume that was an accountable advance made near the end of the fiscal year which would be accounted for in the next fiscal year and which therefore has to be reported in the manner in which the auditor general reported it. In reporting that transaction in that manner there would be nothing inconsistent with the general words of the auditor general's report, because he made it subject to the qualifying words which appear in the report. It would not be possible for him to do anything more than he did with regard to checking that transaction, if the facts are as I assume them to be.

Now with regard to the lobster transaction, if the merits are to be considered that is a matter for the Minister of Fisheries; but with regard to the question, which was whether it ought not to be the duty of the auditor general to express opinions as to whether or not transactions are improvident, I can only say that the duties of the auditor general in this regard are set forth in section 60 of the Consolidated Revenue and Audit Act. The specific duties are numerous, and then at the end there are general words to this effect, that the auditor general shall call attention to every case which he considers should be brought to the notice of parliament. Whether the auditor general should project himself into the operation of departments in such a way as to pass upon the providence or improvidence of the agreements they enter into and the policies they adopt, is very questionable. Personally I have no reason for thinking that there was anything improvident about this transaction. I cannot argue the matter, except that I know in a general way that the Department of Fisheries saved the market for Canadian lobsters, at a time when the English market had disappeared, by an extensive advertising campaign. That, of course, is a matter for the Department of Fisheries. But once the government by order in council, on the recommendation of the minister, who acts on the advice of the competent officials of his department, passes an order in council adopting a certain policy, I question whether the auditor general should review that question from the point of view of whether or not it is a provident transaction. He may do so in some cases, but in this case I do not think there was anything even prima facie improvident about it.

Mr. MacNICOL: I did not mean necessarily that there was anything wrong, but that perhaps it was not good business.

Mr. ILSLEY: The word "improvident" is moderate, and whether or not a transaction is improvident is a matter on which people have differences of opinion. I have knowledge of transactions in which there was far greater loss than in this case, in connection with other natural products, but those transactions had to be entered into in order to serve certain situations.

I believe the last item had to do with the automobile, and I think that is a case in regard to which a person should say nothing

without having special knowledge. It is an individual transaction, and naturally I cannot answer it at all. I admit that it looks as though there were a great many repairs to that car, but I am convinced that the manner in which the government handle the purchase and sale of automobiles, the turning in of second-hand cars and the purchase of new ones, is pretty efficient. There is a committee of civil servants who keep very close watch and very tight rein on these automobile transactions.

Mr. MICHAUD: Lest a wrong impression should go abroad with regard to the transaction referred to by the hon. member for Davenport, and mentioned in the auditor general's report, with respect to the steps taken to aid the lobster fishermen of the Atlantic coast, I think it well that I should bring to the attention of the committee what I believe was placed on record last year also.

The venture of 1940 into the lobster purchase and disposal operations was not intended to be an ordinary business transaction with a view to making a profit, or with a view even to breaking even. The committee will recall that shortly after the declaration of war the British government prohibited the importation of canned or tinned lobster into Great Britain, by making the declaration that canned lobster was classed among luxuries the importation of which was forbidden.

Up to the autumn of 1940 Great Britain took about 85 per cent of our annual packs of canned lobster. Over night this market, which had been built up over a hundred years, and which had well taken care of the output of the Canadian canned lobster industry, was wiped out. A large portion of our population had depended on that industry for its livelihood, and as a result of that stoppage there was a real panic among lobster fishermen. They appealed to the government, pointing out that 85 per cent of their market had disappeared, and emphasizing the fact that there was no possibility or reasonable expectation that the Canadian market could absorb the high percentage which had heretofore gone to the British market.

The department availed itself of the best brains possible. We consulted those who were interested in the business and it was decided that rather than abandon the industry the government would encourage lobster fishermen and packers by assuring them that the government would make it its duty to find a market for the spring pack of 1941.

Mr. MacNICOL: I think the government was right in doing that, too.

[Mr. Ilsley.]

Mr. MICHAUD: We explored the possibilities of developing the domestic market to the limit, and considered an advertising campaign the best possible method of appealing to the sentiment of Canadian consumers. It was felt that at the same time we would educate the Canadian housewife and consumer concerning the quality of Canadian canned lobster. The sum of $50,000 was spent as a contribution to help develop the home market for this commodity. It was found however that the home market could not possibly absorb the whole pack, with the result that we had to develop a market in the United States which heretofore had been held by the producers of Russian and Japanese crab meats. We had to displace those products, or fight them in the United States market; and I must say that through the cooperation of good Canadian citizens who were in the business, and who established relations with large chain store distributors in the United States, we succeeded in establishing a market for the whole output of 1941.

This however necessitated organization. We had to convince the fishermen that they should continue to fish rather than ask for relief. We undertook to merchandise and market their output, and for that purpose had to hire help, establish an organization and the necessary machinery. We established an inspection board, because United States buyers would not accept any of our catch unless a guarantee of inspection was given by the government.

We purchased from the fishermen lobster to the value of $88,043.83, making it a condition that the packers should pay the primary producer a reasonable price. We considered it advisable to step up the price considerably, and felt that we had carried out that principle by establishing a minimum price of 5½ cents per pound for live lobster. Prices had previously ranged between 2½ and 4 cents, the latter price being the maximum which in very special cases had been paid to fishermen supplying lobsters sold for canning. Before the year was over the price had risen considerably above 5 cents. We had no difficulty therefore in this respect. The price to the primary producer was doubled at the start, and before the season was over it had increased considerably. Through the difference between the amount we paid the canner and the price we received in the market, we derived a profit of about $9,000. The amounts we actually expended went for inspection, administration, machinery, labels, and a labelling machine we had to buy to label the cans with the government certificate. Those operations had to be carried on in the following year.

The actual deficit in the whole transaction during the year was $27,000; but the inventory showed that we had to carry an over-supply of labels and a certain amount of machinery, and we had to pay rent for a warehouse. We thought it was not fair to make that charge to the producers, because this was in the nature of an experiment, something which was undertaken for the first time, and should not be charged to the primary producer or the packer, who has shown a willingness to cooperate. It was not felt that in the first year they should be asked to absorb the whole of the overhead and cost of establishing the industry. It is not altogether fair, therefore, to say that this was an improvident transaction.

Mr. MacNICOL: Had the auditor general's report included what the minister has said it would not have looked so bad.

Mr. MICHAUD: It was found to be a profitable venture. We have succeeded in establishing on this continent a market for the product of a Canadian industry. For a hundred years prior to 1940 producers as well as processors never thought that was possible of accomplishment. This year it was found necessary to buy scarcely any canned lobster from the packers, because the invasion of the United States market was continued. The government continued its assistance in improving the market situation, and, as hon. members know, the whole of last year's pack was sold at a high price.

I will give some figures which will enable the committee to understand the situation. In the spring of 1941 we established a minimum price of 5¼ cents a pound to the fishermen for the raw material. Before the season was over last year, the price was up to 10 cents a pound, and this year the opening price is 12 cents a pound. Now they are complaining that the price is too high. We set a price for canned lobster in 1941 of $18 per forty-eight pounds net weight of lobster, and $16 for a lower grade. Last year the price went from $20 to $30, and this year the price control board has established a maximum price of $28. But already American buyers are offering more to the packers than the ceiling price, although the packing season has been open for only one month. So that at the present time fishermen are getting from 12 to 13 cents a pound for their raw material and the packers are being offered from $28 to $30 a case for lobster.

The $100,000 which the government has invested within the last two years to help create a home market and a north American market for this valuable industry has been a good investment, and it is one that will not have to be repeated this year. I think it is the best thing that has ever been done for the lobster industry.

Mr. BLACK (Yukon): We have just been listening to observations on the lobster industry and lobster cans, and on methods of government expenditure. I am going to call the minister's attention to an item which he will probably never find in the auditor general's report and which he and the auditor general will probably never hear about, but it is really too good not to be told.

At the magnificent airport at White Horse in Yukon, the government has established, very properly, a meteorological station. There has been some delay in getting the necessary instruments for that station, but a short time ago a big package arrived at the airport by air express, which is probably the most expensive method of transportation known. The manager called in the staff to see these wonderful instruments unpacked. Mind you, they were sent by air express from eastern Canada away up to northern Yukon. What do you suppose was in that package?

Some hon. MEMBERS: Lobsters.

Mr. BLACK (Yukon): No. Two perfectly good garbage cans! Can you imagine that? Two garbage cans which could have been bought up there at that village for an infinitesimal fraction of the cost of transporting them there by air express. I say this to the minister and to the government: if the officials responsible for that have not been liquidated, as they would have been so efficiently in Russia, they ought at least to be consigned to one of those garbage cans.

Mr. POULIOT: Mr. Chairman, first I must express my sympathy with the minister. I am sorry for him over what is going on now. At the present time it seems that everything is cooked in the Rideau club, that the council room in the east block is just a pantry, and that this chamber is a cafeteria for the queer ideas of our intelligentsia. Everything that was done in years past has changed. Now we have a different kind of government. A decision is very seldom made nowadays by the government. It is made before the matter ever reaches the government. The decision is made by experts.

Last winter the door of my office was open and I heard a queer noise downstairs. I did not know at all what it was, so I went down there and discovered that it was being made by the intelligentsia of our country, professors of economics from our Canadian universities who had gathered down there to draft a financial policy. Judging by the size of their

heads I thought I was in a vegetable garden. They were all there, taking themselves so seriously. Members may laugh, but they cannot realize how grieved I was to think that these people had been asked to assume such responsibility.

Of course the duty of the government is just to act as a pendulum between consumers and producers, and to try to redress all wrongs so that the social life of our Canadian citizens may be as good as possible. When we discuss matters the way they were discussed in years gone by, people who are for the newer fashion in government business find it strange and consider us out of date. I am amongst those who are thus out of date, as are other members both on this side and on the other side of the house.

I take this opportunity to congratulate very warmly the hon. member for Broadview (Mr. Church) upon the excellent remarks he made yesterday afternoon. I have met several of our colleagues who said that he expressed views that were very generally held by his colleagues. I thank my hon. friend the member for Davenport (Mr. MacNicol) for his kind remarks this afternoon, and I also congratulate him. I do not pretend to take any credit for having brought that matter up several times. It seems to be of no use, and yet these are most important matters. In a democratic system the people are told that they are the ones who govern; in fact, once every four or five years they are called upon to express their views about candidates and to vote for one or the other. That is the only opportunity they have to speak. True, they have representatives; they elect members of parliament who are supposed to check government expenditures, and of course the checking of government expenditures by members of parliament is one of their main duties. But how is it possible for us to check expenditures when the auditor general says that there is no record? It is impossible to check the expenditure because at times there are no records and no vouchers of expenditure, and the personnel of the auditor general's branch is numerically less than one-tenth that of the treasury board. It is pretty hard for one person in the auditor general's branch to check expenditures for all cheques prepared and made by ten officials.

When I think of all this I recall what happened when the branch of comptroller of the treasury was created by no less a genius than R. B. Bennett. He is the one who changed the whole picture, not for the public good, not for improving the accounting of dominion finances, but just on the spur of the moment because he was displeased at not having got some information right away. He said in one of his outbursts, "I will change the whole system because one employee did not answer me as soon as I asked him for some information." And then the change was made not by legislation, but by order in council. That was done by Mr. Bennett, with the agreement of most of his supporters. About the same time, perhaps a little earlier, he saw someone who had come from the United States and who said to him, "Mr. Bennett, you are a very great man. What is to be regretted is that you are not recognized as you should be by American universities; they should confer degrees *honoris causa* upon you." Mr. Bennett said, "What a bright idea," and he began to have a kind of soft spot for that fellow. He said, "Here is one who appreciates my great personality and my great genius. I will make him my deputy minister of finance." It happened that afterwards Mr. Bennett left the house very often to go to the United States to receive these degrees which were being conferred upon him by universities that had ignored him—all of them—until they were told by that person that he was a great man. And now, sir, we are in the hands of this very same official. I have been told often that it is a bad thing for us to complain of certain officials when they are not here. This was his opportunity to be here, so that hon. members could have another opportunity to see him. Hon. members who are listening to me now will understand why for years I have been fighting a junta of the Department of Finance, those who have been installed there by Mr. Bennett when he decided to change the face of dominion politics. It will take a very long time to forget all the evil that R. B. Bennett did to the Canadian people just on account of his ill-temper and his vanity.

I wonder whether it is of any use to remember the errors of the past now, when they cannot be corrected. It is impossible to alter the state of things which existed during that dark period when R. B. Bennett was leader of the government and when the present leader of the opposition was one of his colleagues. It was a very dark period. All these people were put into high functions by this gentleman, and those who supported him have the responsibility for it. I except the hon. member for Broadview, who was not sitting in the house all the time during that period, and I admit that many other hon. members acted in good faith, believing that the thing was done for the best. But now we see where we are. Is it possible to have any reform made? I doubt it; but it is time to apply the brake.

I have complained many a time about those who are professors of economics, social science, political science and who have no experience of the world. They know nothing

of applied psychology. They do not meet the people, they do not see the effects of their schemes on the people. They are here in their offices and they think all the time of new schemes, most of the time to improve their own positions.

Who are those who work in the public interest in the civil service? There are some, but they are fewer and fewer compared to what there were when I entered politics years ago. At that time when we had the other audit, we had Mr. Fraser, we had Mr. Gonthier, we had others; things were not so bad. There were civil servants who had been trained under the fathers of confederation, who had taught young men to use their time for the benefit of the state, and they were doing an excellent work. They were quiet, unassuming, trustworthy, modest, sincere. They were not thinking of themselves at all; they considered that it was an honour to occupy a position in the federal government and they served their country to the best of their ability. Of course they took advantage of raises in salary and other improvements which are legitimate, but they were not thinking only of that. Now it is very sad to think that there is not the same spirit among all high officials in the service. There are exceptions, I admit. There are some civil servants who still have that spirit, but it is not as general as it was. What is the result? The result is that the little fellow tries to find a scheme that will give him an opportunity to have two maids instead of one, and, when it was not so difficult to exchange automobiles, to have a new car each year. Then he had great ideas.

Now how does it work in having new legislation introduced? Everyone knows. The Prime Minister meets his colleagues and tells them that the session will open on such a day. He says, "If you have suggestions to offer for the speech from the throne, please let me have them." And then the minister meets his deputy and says the same thing to him. He says, "My dear deputy, the session will start on such a day; have you any suggestions for a new policy?" Then the deputy calls all the chiefs of branches and makes the same little speech. Who of them has an idea? But the chiefs of branches may ask the little fellows, promising young men, bright graduates from universities, whether they have anything to offer. They say, "Have you not something to suggest to us as an idea for the next speech from the throne?" Then some young man scratches his head and says, "Yes, I have an idea. I have been thinking of it." And the idea is to surround himself with a staff; because, as you know, sir, and as everybody knows, in the civil service, and according to the principles of the civil service commission, a man is not paid according to his worth; he is paid according to the size of his staff. Therefore what is important to a young man who gets into the service is to have a large staff around him, and when he has it, he becomes himself the chief of a branch with a chance of promotion. Therefore there may be a slight amendment to a statute or the suggestion is made that there should be created a new organism which will give this bright, promising young man an opportunity to show his ability by being surrounded by a larger staff and getting a higher salary, which will permit him to have two maids instead of one, and, if not to change his car for a new one, at least to make a nice trip to British Columbia or Halifax or somewhere else.

The CHAIRMAN: I have listened to the hon. member and given a great deal of latitude, but I cannot link up the subject which he is now discussing with any part of the resolution which is now before the committee. The appropriation of two billion dollars for war purposes is separate and distinct from ordinary administration and particularly from the routine work of the various departments. I would direct the hon. member's attention to the fact that we are now discussing an item that appears at page 2920 of *Hansard* under the head of auditor general's office, for $196,000. There is an additional sum to be voted for the auditor general for war purposes.

Mr. POULIOT: Yes, sir. It may seem strange in a certain respect, but I understand that the $2,000,000,000 appropriation is for war departments and it seems that this is altogether different. It is the overdraft of departments that are not war departments and it is in excess of the estimates that have been voted for the year 1941-42.

The CHAIRMAN: The hon. member will find it at page 2920.

Mr. POULIOT: Yes, I have it.

The CHAIRMAN: He will see that the war appropriation is for the period 1942-43 and is to cover expenditures of various departments connected with the war effort. There will be the ordinary current budget for the year 1942-43, but we are now dealing with the appropriation for war purposes for 1942-43.

Mr. POULIOT: Yes, sir; but in this appropriation departments are mentioned that are not war departments.

The CHAIRMAN: There is a break-down and we are now on the item relating to the auditor general's office.

Mr. POULIOT: Yes, sir; and of course the duty of the auditor general's office is to check expenditures in all departments. I have the report of the auditor general for the year ended March, 1941. It is the last report I have, and, as I say, the duty of the auditor general is to check the expenditures of all departments. If there is an item under which it should be permissible for a member of parliament to discuss matters such as those I have mentioned, it should be the auditor general's report, especially when, at page 540, the auditor general has this to say:

> The status of those who serve without remuneration is indefinite for executive travel regulations purposes. The audit disclosed cases of travel expenses being paid, although the records do not establish that the individual holds any public appointment. The trend of policy now is to have such individuals certified as appointed without remuneration. More generally, appointments without salary are made by an executive order which stipulates, as a rule, a per diem allowance which may be claimed in lieu of a detailed accounting for subsistence and shelter. But cases were noted of accountings being made without employing the permissive per diem rates. Neither departments nor the treasury insisted on non-salaried officers submitting claims in the detail required from salaried officers. Likewise, the standards of travel to be observed by salaried officers were not strictly applied to those who serve without remuneration.

When you called me to order, Mr. Chairman, I was talking of young men who tried to improve their condition in order to travel around. I wonder if they do not fall into that category. As you know, the auditor general's report covers the expenses of all departments, and it covers expenses in the war departments. However, I will summarize what I have to say and try and make it as brief as possible.

This is one of the most important matters we may have to discuss during any session, and when taxes increase, the constituents of any one of us will have the right to ask us why they are paying more in taxes. It is a legitimate question for any of them to ask. This is a most serious matter, and it cannot be treated with indifference. I have exposed some cases of intrigue, but they are not important; it is the whole system that is important. And the whole system of government responsibility to parliament and parliament's responsibility to the people we cannot cut out. At any meeting held by a member of parliament or a candidate during an election campaign, or at other than election times, the electors have a right to ask the speakers, or any speaker: "What have you done or what has been done with the money you have gathered in taxes?" In years gone by it was possible to answer that question by referring to the auditor general's report. Now in many cases—in most cases—it is impossible. It is impossible for two reasons. We have no estimates for the war departments; what is called an estimate is a very broad headline for hundreds of millions of dollars. Besides, we have no public accounts for less than $35,000, which means that as to those who are clever enough to have many contracts, even several hundred, of less than $35,000 each, nothing will appear in the auditor general's report. That is bad. It is bad for the reason that it is the people who give us the authority to sit here as their representatives. The government is a committee of parliament, a little different from the committees which are appointed each year; nevertheless it is a committee of parliament to which parliament delegates part of its powers, under this proviso, that a check be made by the members of parliament, who are representatives of the people. When we have no information before the expenditure is made and no information after it is made, unfortunately but inevitably it leads to abuse. I am not in a bitterly critical mood; I am trying to offer constructive criticism. When a traveller is on the wrong road, going the wrong way, the thing for him to do is not to go further on the wrong way, but to return to the right way and then proceed in that way.

Why should we be afraid and ashamed to go back to an honourable past when there was less abuse than there is to-day, for the very reason that parliament and governments respected British parliamentary traditions more than we do now? Mr. Churchill, who has a high respect for parliament, would not stand for it for five minutes; neither would Mr. Roosevelt. The other day I had in my hand the budget of the United States, containing the report of Mr. Roosevelt to the congress. Opinions are free. One might think that affairs of expenditure for our war effort should not be disclosed to the public. Mr. Roosevelt thinks differently. So does Mr. Churchill; so does Mr. Hepburn; so does Mr. Godbout; so do premiers of all the other provinces of Canada.

Many times I have made the suggestion that civil servants should have respect for parliament. I was unsuccessful most of the time. But in my humble view all those who are in the employ of the dominion government should have respect for parliament. They may not care about this and that hon. member; that is of no importance, but

they must respect parliament as an institution. And parliament can be respected only to the extent that it remains true to the honourable traditions of the past.

One may say: Well, it is pretty hard to do something unpleasant to one or two or four or five or ten high officials; it would hurt them; it would be embarrassing to them. But what is one man in a crowd of a hundred thousand?

Mr. MARTIN: Why a hundred thousand?

Mr. POULIOT: Or ten in a hundred thousand; perhaps my hon. friend is right. What is said is that a man shall be allowed to stay in office because he is such a nice fellow, or it would be hard for his family if he were not. No one thinks of the hundreds of thousands, perhaps millions of Canadian citizens who suffer perhaps on account of that very individual, who suffer on account of the weakness that is shown in not firing him at once. I name nobody in particular. But it is rather hard to discharge one you work with, because you know him, you know his family, you know his past—

The CHAIRMAN: Order. I must again draw the attention of the hon. member to the fact that he is wandering too far afield. The item before the committee is the special vote for the expenditures incurred by the auditor general's office on account of war. The hon. member is not addressing the committee on that point at all.

Mr. COLDWELL: Mr. Chairman—

Mr. ILSLEY: I should like to say something if the hon. gentleman is finished.

The hon. member for Témiscouata seems to object to the form of the public accounts. I wish to make a distinction clear. The statement of the public accounts is one document; the auditor general's report is another. The public accounts are published on October 31, the same day as that on which the auditor general's report must be issued. The public accounts are presented to the Minister of Finance by the deputy minister of finance, for issue and publication. The auditor general's report is tabled through the Minister of Finance. The deputy minister of finance is the permanent head of the Department of Finance; he is a civil servant, an official of the government, in the employ of the government. The auditor general on the other hand is an officer of this parliament and answerable to this parliament.

I have made inquiries as to the form of the public accounts. I find that the public accounts are in the same form and practically of the same dimensions as they have been for a great many years. I think when hon. gentlemen talk about the public accounts, in many instances they have in mind the auditor general's report. That certainly was true of the remarks of the hon. member for Davenport this afternoon. He referred several times to the volume which he held in his hands, as the "public accounts." That volume was the auditor general's report. If hon. members of the house are criticizing the form of the auditor general's report, it is something they have a right to do. I think it is true that in the auditor general's report he does not give a detailed statement of individual expenditures of less than $25,000. I also believe it to be true that he does give a statement of civilian expenditures in greater detail. At the present time the question whether the form, the amount of detail, in both the public accounts and the auditor general's report should not be changed is under active consideration, and it may be that we can make changes which will be beneficial. It may be that parts of the material now published in the auditor general's report should be incorporated in the public accounts, to let the Minister of Finance take direct responsibility for it as head of the Department of Finance. That is under consideration at the present time, and a little later I think I may be able to make some recommendations to the house in that regard, which the house may debate if it wishes to do so. I do not mean within a week or so, or even within a few weeks, but I just want to tell the committee that this matter is under active consideration.

I do not want to say very much more about the speech of the hon. member for Témiscouata, but I do think I ought to say something about the deputy minister of finance. I do not need to do this for the sake of the general public or the great mass of people who deal with the Department of Finance. I am not saying this out of any sense of loyalty or sentiment, or anything like that; but if hon. members of this house are interested in my views I want to give it as my opinion that in respect of ability, in respect of character and in respect of devotion to duty I have never met anyone who ranked higher, and I have met very few who ranked as high. I want to say that about the deputy minister of finance. I have no personal knowledge as to the circumstances of his coming here, but I believe he was sought after, and almost anxiously sought after, because of his high reputation. I did not work with him, of course, when the previous

government was in power, when the Bank of Canada was established, when the housing legislation was launched, or when any of those important measures—and they were important measures, which have proved beneficial during the course of the years—were gotten under way. I know that he had a great deal to do in assisting, and probably in suggesting, that those measures be undertaken. But in recent years, since the outbreak of war, both as acting Minister of Finance and as Minister of Finance, naturally I have worked in very close association with my deputy. We have gone through some very serious times; we have undertaken some very large and comprehensive measures. You cannot set up a great organization such as the national war finance committee, or the foreign exchange control board, or the wartime prices and trade board, without doing an enormous amount of work, when you must have good advice and when you must have with you a clear thinker, a hard worker and a patriotic citizen. The deputy minister of finance is all of that.

Consider some of the things that have been done by the Department of Finance—and I am not saying this to pat that department on the back but rather to give hon. members of the committee some idea of the magnitude of the work. In our financial arrangements with Britain we broke entirely new ground and did an unprecedented thing which I feel sure has the approval of this and other countries. We undertook a comprehensive programme of getting foreign exchange into this country and of conserving foreign exchange by making scores of agreements, some of them involving very large sums of money, under the War Exchange Conservation Act—a most trying kind of work; meeting individuals and companies from all over the dominion and making agreements with them for amortization, depreciation, and so on. We have been dealing with the provinces for the last year, negotiating agreements with them resulting in the provinces vacating the income and corporation tax fields, something in which a sister dominion is now attempting to follow us, as the United States followed us in regard to our price ceiling policy. You cannot do things like these without the help of a person who is a good man. I am willing to give some scope to hon. members of this house in what they say about civil servants, but in regard to this particular civil servant, even though it may not be strictly in order I feel that I owe it to him to state what I have stated, for what my opinion is worth.

I do not think any comment is necessary with regard to the other things mentioned by the hon. member for Témiscouata, such as the passage of the Consolidated Revenue and Audit Act, and so on.

The CHAIRMAN: At this stage I should like to point out to hon. members paragraph 305 of Beauchesne's Parliamentary Rules and Forms, which states:

> All references to judges and courts of justice and to personages of high official station, of the nature of personal attack and censure, have always been considered unparliamentary, and the Speakers of the British and Canadian houses have always treated them as breaches of order.

In the remarks of the hon. member for Témiscouata I did not find any direct attack, but certainly there were indirect insinuations affecting the character of these high officials. I should like to draw the attention of the committee to the fact that attacks of this kind are out of order.

Mr. COLDWELL: I do not propose to break the rules, Mr. Chairman, though I think some of the criticisms offered this afternoon by the hon. member for Témiscouata with regard to the public accounts were well taken. The public accounts committee should be functioning; there should be a thorough investigation by parliament of the expenditures made by the government. I do not think we are doing our duty in this parliament when we fail to examine the public accounts in committee. May I say, too, that if this procedure were followed I believe we would facilitate the business of this house. I think we all feel that the business of the house has been dragging along during the last couple of weeks in a way that is a reflection upon all of us, and I should like to see a speeding up of the business. Therefore, Mr. Chairman, with your permission I am going to say everything I have to say on this matter at the present time.

I rose primarily this afternoon to speak of the staff in the auditor general's office and of the personnel under the civil service commission, which is covered in the next item. I have been greatly alarmed by the influx of young people from western Canada into Ottawa, and the lack of accommodation for them. I have before me at this time—and I will not give the authority, although I shall be glad to give it to the minister—a report which has been prepared by a reputable social service organization in this city, outlining some of the conditions found here. The war has brought a very large number of people into this city. I suppose each one of us, irrespective of where he sits in the house, knows a number of young men and young girls who have come in from his own constituency, many of them from rural communities, and have found work in

the various government departments under the civil service commission. Most hon. members know that the conditions under which many of these girls have to live at the present time are deplorable. For example, we hear about the high prices charged for board and room, about the overcrowding and even in some instances about the poor board these girls are getting.

I shall give only one or two examples of many I have before me. Let us first take the case of three girls—and may I say that each one of these I am about to mention can be thoroughly substantiated. These three girls share a bedroom, and each pays $35 a month for room and board. The landlady is thus getting $105 a month for one room, and board for the three girls.

Mr. HANSON (York-Sunbury): Disgraceful.

Mr. COLDWELL: Another woman has a room for which she wants $55 a month, without meals, if one person occupies it. If two girls take it she will give them breakfast and evening dinner if they pay her $45 a month each. It will be realized at once that with the salaries paid in this city at the present time neither the auditor general's office nor the civil service generally can be doing other than exploiting these girls. I will not say the officials are exploiting them, but they are being exploited jointly by ourselves and by the landladies. In some instances girls are not permitted even to entertain friends in rooms for which they have paid these high prices. I repeat that these cases are authentic. Some girls have been taken to places which were not fit for girls to live in. Something needs to be done by the government immediately to cope with this situation in Ottawa. A few days ago I noticed in a local paper a report of a discussion in the local council. This newspaper, dated May 22, 1942—

The CHAIRMAN: Would the hon. member indicate to what item he refers?

Mr. COLDWELL: I am talking about the staff of the auditor general's office, and about the personnel under the civil service commission, which is next. I was directing my remarks to the two items, but if you wish me to make two speeches, Mr. Chairman, I will do so.

The CHAIRMAN: The item which comes next is "supply of personnel for war services." The hon. member is now discussing the housing accommodation for that personnel?

Mr. COLDWELL: I am discussing the supply of personnel for war services, with special reference to the housing accommodation in this city for that personnel. And may I say to you, Mr. Chairman, with all due respect, that unless these girls are provided with proper remuneration and proper accommodation we shall not be able to get girls to come to this city to form part of the personnel of the civil service. Therefore I suggest I am within the bounds of these items.

This matter has been before the council of the city of Ottawa. The city has made representations to the government asking that it provide accommodation for the lower paid female help, which is included in the personnel mentioned in the item. The reply from the Prime Minister to the approach by the controllers of the city was most unsatisfactory. This letter, from Mr. Henry, Mr. King's private secretary, states:

> Mr. King wishes me to say that the government is not unmindful of the need in this respect, and has been giving a great deal of consideration to the matter. There are of course a number of circumstances which must be taken into consideration. One difficulty has been that some of the controllers of war materials and building supplies have found it very difficult, if not impossible, to release certain supplies at this time which are required for war purposes.

Yet at the same council meeting it was reported that a brewers' warehouse is being erected on Catherine street, that a permit therefor has been issued, and that the necessary building materials had been released for the purpose. I submit if materials can be found for a brewers' warehouse we ought to be able to find materials to provide decent accommodation in Ottawa for our employees.

As I have said, many of the girls come from constituencies far away. Some come from my own constituency in western Canada. I know that many of them are suffering in health, and the loss in days by the departments is really a reflection of the conditions under which they live. I am not going to give figures, but if the Minister of Finance and the Minister of Munitions and Supply will look into the health records in their departments they will find that an enormous number of days are being lost because of ill health among young girls working in Ottawa.

If we are to appropriate the large sum of money mentioned in the item to the supply of personnel for war services, and if we are bringing into this city girls from outside points, then it is our bounden duty to see to it that proper accommodation is afforded.

The same condition existed in Washington. In that city the government is erecting hostels for the girls. Under date line of May 12 a dispatch from Washington states that the girls working there for the government, who will live in a new federally-financed hostel for

women, will pay $34.50 a month for a single room, without bath. However, they may entertain. That rate of course is too high for the girls employed in Ottawa under the present salary schedule.

Mr. MACDONALD (Brantford City): And that is also without meals.

Mr. COLDWELL: Yes. But it does show that in Washington, where they are paying higher salaries, some attempt is being made by the government to deal with a similar situation. When we look around the city and see huge temporary office buildings going up, we must realize that if we are going to bring people to this city to work in government offices we ought to make provision whereby they may have decent accommodation during the hours they are not employed.

I know how difficult it is to find accommodation. I have in mind at the moment a gentleman who for over a week has been looking for a single room in which he may sleep. In some places landladies exact conditions which are neither right nor just. For example, a case I have before me indicates that girls who were paying a high price for a room were told, "You may sleep there, but you must be out of this room all day."

It seems to me it is the duty of the government and of parliament—because after all parliament is the expression of the will of the people, or ought to be—to do their utmost to remedy this situation. I have taken this opportunity to bring the matter to the attention of the Minister of Finance and the committee. I do not know whether he is aware of it or not, but I may say to the minister that quite often it is said, "Not only can we not get building supplies, but even if we could get them the Minister of Finance or the treasury board would not let us erect these buildings." Indeed the Minister of Finance and the treasury board sometimes have to bear the brunt of criticism of the lack of social services and social amenities in this dominion. The stumbling block, we are told is, that the Minister of Finance or the treasury board is not seized of the need for improvements, but that is no excuse for parliament, and it is, I think, a bad excuse for the government. I urge the minister and the government to give consideration to this problem which so nearly affects the lives of a large number of young people in this city, particularly those who may in after years be the wives of the men who will return from overseas and become the mothers of the future generations of Canadians.

Mr. HANSON (York-Sunbury): I desire to say a word about this problem. The condition of the young girls who have arrived in Ottawa to take war-time positions was called to my attention very soon after I had assumed the responsibility of this position. On that occasion the question was the rate of salary paid to these young girls, and I felt it incumbent upon me to urge upon the treasury board or the civil service commission or whoever was seized with authority a revision of their salaries. I am glad to be able to say that that has been done. As to whether or not it has been done adequately, I do not at the moment desire to express any opinion.

Recently there has been borne in upon me other aspects of their conditions, as presented by the hon. gentleman who has just taken his seat. I do not know whether the experience of other hon. members is the same as mine, but frequently some young girl whom perhaps I know personally from my own community calls upon me for assistance in this respect. I certainly know that my colleague the hon. member for Victoria-Carleton (Mr. Hatfield) is called upon every week to go out and find a boarding place for some young girl who has come to the city to take war work, and he is often driven to his wit's end to accomplish that which he desires to do. I have had the same experience of being appealed to, but fortunately I have had the cooperation of a good staff, which has, to a large extent, relieved me of responsibility.

There is a distinct governmental responsibility in this matter. The government has centralized war services in Ottawa, and when it does that it must assume responsibility for the housing of these young girls, and not leave the responsibility to the community. The government may say: "That is all very well, but the city of Ottawa is reaping some benefit from having these government employees here." That just begs the question. We are inviting these young people to come to Ottawa to help carry on the national war effort, and we are centralizing all these war services in this city. But we do not do a thing to provide decent accommodation for these employees, especially for these young girls, many of whom are away from home for the first time. The same problem with respect to war workers moving from one state to another has arisen in the United States. I recall reading last winter an article in the *Atlantic Monthly* which put the case very fairly for the municipalities, saying that since the government had created the condition, the government must assume the responsibility, not only for the housing of these people but for sanitary services, for school services, and for their hospitalization if these services became beyond the capacity of the local community.

We ask these people to come to Ottawa. They come, many of them not knowing what the situation is here. When they get here they find themselves at the mercy of a lot of people who make their living by this means—and I am casting no aspersions on the landlords or landladies of Ottawa because I do not know enough about the circumstances. But I do know that there is a responsibility on the government to deal with this problem.

I do not think the letter of the Prime Minister's secretary to the municipal officials is satisfactory. I think the government has to grapple with this problem, and the sooner it grapples with it, the better. I make this concrete suggestion. I ask the government to set up a representative committee of civil servants to meet with the council of the city of Ottawa with a view to coming to a conclusion as to what shall be done. Let there be cooperation on both sides.

I think the suggestion of a women's hostel is perhaps the most satisfactory suggestion that can be made. Of this I am certain, that something must be done to relieve the shortage of accommodation. The government must deal with the situation, and my suggestion is that they appoint a committee to meet with the city council and grapple with the situation with a view to building a hostel. The government can build offices on Wellington street and furnish them at the rate of $600 a room, as we have heard has been done. I have heard of a man wanting to move in his own mahogany furniture, but that was stopped as likely to give rise to great scandal. Some man was furnishing his room with an $800 carpet, but in that case the government was not paying for the carpet but the man himself.

To allow these girls just to look after themselves is not good enough. Let us deal with the situation with humanity, even if we are at war. I do not want it to be thought that the socialist party has any monopoly in the consideration of the humanitarian aspects of this problem. Other people are thinking about it too. The government can put up two buildings at great expense on Cartier square to house the navy. I am not critical of that, but they are just temporary buildings to be torn down after the war. Is not the welfare of these young girls who are brought to Ottawa a matter of paramount importance to us all and to the future welfare of this nation? Then let the government set up a committee right away and get in touch with the city council with a view to building hostels and providing other necessary services too. They will be doing a good job for which they will be acclaimed, I believe, by the people of Canada.

Mr. ILSLEY: I will see that that suggestion is given most respectful and serious consideration. It is not primarily my responsibility; I am not the minister, to see to the housing of civil servants, but naturally I take an interest in the matter. Although I do not know too much about it I have some idea of what the situation has been, and I think the appointment of a committee or board or commission is a good idea. I believe that will have to be done. I think the composition of that board, its representative nature, will have to be given serious consideration, because the operation by the government of a girls' hostel will be a difficult and responsible task. I know that when the question was discussed last fall as to whether a hostel should not be built then to accommodate five or six hundred girls, the very suggestion almost was getting us into trouble because this interest and that interest were starting out to insist that they must have representation on any board that had charge of an enterpise of that kind. So far as the time to do this is concerned, we should pursue the same rule that we try to observe with our war effort generally; that is, that so long as persons coming here can find accommodation in the houses which are available at the present time, they should do so, even at some considerable inconvenience. If anyone thinks the people of this country in the next two or three years are going to escape inconvenience in housing, he is entirely wrong.

The construction programme of the government this year for military purposes, I am told is larger—I was going to say twice as large, but I may be wrong in my proportions—than in any previous year. That may be surprising to members of this committee, but that is what I was told by my colleague the Minister of Munitions and Supply the other day. There is going to be the most terrific scramble for materials for housing in all parts of Canada, and we must keep it down to the very minimum.

Mr. HANSON (York-Sunbury): Well, the same crowd gave priority for a beer warehouse.

Mr. ILSLEY: All right, now. Every hon. member will be able to think of something for which he would not have given a permit if he had been director of construction. Certainly anyone is able to do that. The controller of construction is in the Department of Munitions and Supply. He has a very difficult task to perform, and, no doubt, is discharging it as best he can. He has certain rules applicable to residential construction, certain rules applicable to industrial construction, and so forth. He has kept construction down much better than private construction would have

been restrained had there been no control. There must be rigid and severe control over construction, which will entail a considerable amount of inconvenience. Of course, that inconvenience cannot pass a certain stage. All I want hon. members to understand is that there is likely to be some, and that the government is keeping an eye on that situation and will give it serious consideration. My understanding—and here I may simply be provoking controversy, for I do not know very much about the matter—is that the situation in Ottawa eases in the spring and becomes a little harder in the fall, because in the spring people move out to various country cottages in the vicinity; and I do not think there will be an impossible situation or a very inconvenient situation during the summer and early fall months.

Mr. HANSON (York-Sunbury): That possibility is going to be wiped out on account of the gasoline restrictions.

An hon. MEMBER: What about next fall?

Mr. ILSLEY: I understand that; the obvious answer is that we should be thinking of the situation next fall, and I may say that we are thinking of it. The suggestion of a board or a commission is a very good one.

Mr. BLACK (Yukon): As regards these temporary buildings which are being erected in Ottawa: Canada is growing; the public service of Canada is growing; accommodation is needed to house government employees. Canada has now been at war for nearly three years, and there has been plenty of opportunity and time to build a few more permanent buildings. I believe the government would have been better advised to construct a few permanent buildings, instead of temporary buildings, at a great expense, which will have to be destroyed after the war. Take the Lord Elgin hotel: it was built inside a year. There is no reason why the government cannot erect permanent office buildings right here in the city. They will be available for all time to come, and the expense in the long run will be less than the cost of putting up these mushroom buildings and afterwards tearing them down.

Mr. HANSON (York-Sunbury): And it would avoid the fire risk.

Mr. ROY (Translation): Mr. Chairman, in reply to certain remarks made earlier, I believe, by the hon. member for Davenport (Mr. MacNicol), the Minister of Fisheries (Mr. Michaud) gave us the trade history of that delicious seafood known as the lobster. This statement interested me very much, although there remain a great many things to be said on the subject, for my constituency and more particularly the Magdalen islands produce a great deal of lobster, in fact, a large percentage of our entire Canadian output.

The CHAIRMAN: I wish to remind the hon. member that we are now considering the auditor general's report. No one has objected to the hon. member's remarks, but it is incumbent upon me to direct the debate according to the rules of the house. I merely wish to draw the hon. member's attention to the item now under consideration, and to say that I do not believe there is a sufficiently close connection between it and the situation with regard to fisheries in Gaspé or the lower St. Lawrence, to warrant the latter's discussion.

Mr. ROY: Begging your pardon, Mr. Chairman, I was under the impression that the $3,000 item which I notice here had brought about, earlier in the day, a discussion on this subject, and the remarks I have to make are directly related to the state of war.

The CHAIRMAN: If I am not mistaken, the hon. Minister of Fisheries' remarks were intended to correct an unfair criticism of the auditor general's report. It had been alleged that in his report, the auditor general might have been more explicit with regard to the expenditures incurred by the fisheries department. The minister then explained the scope of the auditor general's report with regard to fisheries. Any remarks made in this connection must be directly related to the report under consideration.

Mr. ROY: Can I not make certain observations at the moment, Mr. Chairman, provided they are directly concerned with the state of war?

The CHAIRMAN: No, not unless they are related to the auditor general's report.

Mr. ROY: Very well.

Mr. CHURCH: May I briefly supplement the remarks I made last evening to offer some suggestions to the minister about what I think should be done with regard to auditing and checking these war accounts, the item of $196,000.

In the first place I want to point out to the minister that it is not an audit at all; it is just a checking system. Those of us who have come up from the municipalities have had some experience in this work. The system we have to-day of auditing and checking with relation to war expenditures

is just a village system; it is not and never was designed for such a great war as this, where in one year we are going to spend $2,200 millions. There are twenty-five of these various bodies which are called corporate instrumentalities. Many of these bodies are themselves spending bodies, and they have their own auditors. I contend that we should have a new consolidated revenue and audit act; there should be a committee of the house which would be known as the audit committee, and they might be a ways and means or finance committee. It would greatly help the minister, who is bearing a very heavy burden at this time. I regret to have to bring this matter up, but I believe the discussion will do a great deal of good and strengthen the government in the end. As one goes about the country he finds that everybody is aware of this or that condition of waste or duplication, and there is nobody to stop it. The auditor general is responsible to parliament. All he does is get out a great big book, the auditor general's annual report, which I doubt if anybody ever reads; I know I have not read it since 1926 or 1927, till last year. For the auditing and checking of war work, there should be a standard system of audit to apply to the government and all outside boards. No bank or insurance company could keep open its doors a month if it were to run on the kind of village system of checking accounts we have. No county council could discharge its duties and no public utility could carry on with such an antiquated system.

I suggest that we should adopt the practice which prevails in England. First, there should be a standard form of audit; second, there should be a committee of the house known as the ways and means and audit committee to which the minister could send the auditor general's report for revision.

I looked over some of the work here. I may say that I was told away back in 1926-27 that the audit system was all right, when I first had the matter up with the late Mr. Robb who was then Minister of Finance. Mr. Robb was an able minister who knew a great deal about business, and competitive business too. At that time I took exception to the audit system, but everyone said that the audit was all right. Of course, every audit is all right until there is an explosion and it is discovered that money has been squandered. There are a good many business men both in this house and in the other place who have impressive financial names, and they know that one of the greatest necessities to-day, at Washington, in London and in Canada, in connection with our various large institutions, is the conservation of money and capital through a proper up-to-date system of checking and auditing and retrenchment, concentration, and the elimination of waste and duplication. But what have we here? There is no system at all, as far as I can see. In the first place, what is an audit? A modern, up-to-date audit must recommend changes; it must eliminate waste, and it must find out if there is coordination and cooperation among the various departments that go to make up the minister's budget. Here we have, according to page 541 of the auditor general's report, twenty-five of these outside boards under the department, and yet there is no control over most of them. Apart from two or three cases, what the government should do is to take over all these various outside boards, the whole twenty-five of them and audit the whole system. Toronto had to do that very thing with its outside boards. Toronto's financial affairs are much larger than the finances of the province of Ontario, with its outside boards, and the city had to adopt a new audit system and a new system for the sale of bonds and for capital levies. There had been no protection in the old days for the taxpayers from duplicate systems of handling loans, and the city decided to appoint Mr. Bradshaw to look after all the work, to make provision in connection with bonds, capital charges, and so on, dealing with thousands of employees and very large public utilities engaged in the handling of money running into a hundred million dollars and more. The result of that new system was a great economy, coupled with efficiency. There could be a great deal of saving to-day if the minister would adopt a new audit system, with a veto power.

When I first came into this house in 1926 and 1927, I was told that, for instance, the banks were solvent, that no bank had failed. But what happened? The Home bank closed its doors because the system of inspection was a myth. Some of the directors and others took millions of dollars out of the till, and invested the money in the United States, putting it into other pockets. Yet we were told at the time that the bank inspection and audit and checking system were all right. We were told that it could not happen here, but it did. When Mr. Robb was Minister of Finance I brought this whole question up in the house because I could foresee the explosion. I knew there was going to be trouble in connection with the insurance companies, and I brought in a bill in relation to audit and checking in reference to the large insurance companies, to provide that no insurance company should be allowed to invest trust

funds, that is insurance funds, extra-territorially in common stocks. An investigation by the auditor general and others, disclosed in the insurance report submitted by the inspector of insurance, showed that hundreds of millions of trust funds were taken out of the country and invested in South Sea bubbles the world over, in what are known as common stocks of these companies, with the result that the money was lost. My bill to prevent these investments in such common stocks outside Canada went before the banking and commerce committee, but the proposed amendment was defeated and millions and millions were lost and squandered at that time. But they said that the system was perfect. Well, no system is perfect, and certainly we have not a proper system. It is all very well to check up a pay sheet with 181 names on it, but nobody knows how they got there.

I can tell the committee something about these outside federal government boards. In Toronto I see a good deal of waste about the streets in war expenditures, and anyone who travels over the country on our trains, visiting different places, will observe war waste all along the line. Of course there will be waste. There was waste in the days of Napoleon and in the days of Pitt, and it is only to be expected that there will be waste in the conduct of a war like this. But when the government is expending two billion dollars, when it is dealing with astronomical figures, it should put on the brakes and see that the money is well spent. In England the war expenditures committee has recommended changes, according to the report which has arrived to-day and which I have seen. It has recommended changes in auditing and checking of accounts, coordination, revision and veto power, with the result that in the old country they have saved hundreds of thousands of pounds by means of their up-to-date system. They have had a house-cleaning, and we should have the same. That is one thing that can be said to the credit of the late auditor-general, Mr. McDougall, whose name was an influence in the Victorian era here, and an influence with those that came after him. He vetoed hundreds of items.

But what do we find here? Here I can find only one item vetoed last year from the treasury board. I contend that the auditor-general, who has to report to parliament, should have power to veto any expenditure he sees fit. Look at the five or six departments in which there is so much duplication and waste at the present time. There is utter waste in these departments, for the simple reason that five different bodies have been spending money like water. They have been putting up duplicate billboards such as the one that says "No loyal citizen hoards". They have put out billboards, advertisements, booklets, the height of the parliament building; there has been no equal to it since the tower of Babel in waste paper and talk. There would be no place in which to house the billboards and publicity material if we wanted to.

The tax-payers are getting sick and tired of this sort of thing. The government is all the time taking more money from the taxpayer than he can afford to pay. We are supposed to have a comptroller of the treasury, but all he does is to have a few clerks look up and check accounts. As for the checking system we have, I would not give five cents for it. I have seen some of these accounts, and I know there is duplication and waste. For example, there are two bodies in Toronto, one military and the other under the civil service commission, and for two years now there has been conflict between the civil body and the air force. The commission claim the power to appoint bookkeepers, stenographers, clerks, checkers and so on, and yet there is the Royal Air Force over their head with a duplicate staff spending more money, and making these appointments illegally.

Again, there is the Department of Munitions and Supply. I admire the minister, and I am fair enough to admit that he has done splendid work. There is, however, some waste in the department in the camp established. It cannot continue much longer. Take these outside boards; we have pages and pages of publicity material in the newspapers every day coming from these various boards. There is hardly a small retailer who can carry on with the interference of those bureaucrats, mostly untrained in business. One the other day said at a meeting that the small retailer may have to close up for lack of materials.

I submit that we shall have to change our way of doing business; otherwise this high court of parliament may as well be abolished for all the control we have over these war expenditures and over outside commissions and boards after the money is spent, and they are all postmortems. You have here, largely for civil government, an amount of $146,000,000, some overdraft, and there are draft estimates that came out a few days after parliament met, but the committee of supply has not yet sat one day. There has never been any committee of supply to pass upon one dollar of these estimates. We are supposed to have a break-down here. Well, it is a break-down because you cannot get any detailed information on each item from the minister. There are no details of expenditures, no details of these large items running into millions of dollars. I repeat, we shall have to change the whole system.

I suggest that the Minister of Finance should have a fixed day for bringing down his budget; there should be a fixed day for the annual submission of his budget and for audits and accounting. How can you provide a proper audit and checking system when one person, the Minister of Finance, can say, "I will produce my budget, if I choose, in June." The accounts should be balanced up to the end of December and a proper audit made at that time and the financial year end with the calendar year. The date for the submission of the auditor general's report is fixed by statute, and there should be a similar provision applying to the Minister of Finance in the bringing down of his budget. Here we have two-thirds of the budget before us in connection with war expenditures nearly spent. It means that the budget speech is brought down afterwards as a sort of postmortem. Now are we going to have half a dozen budget speeches instead of coordinating them into one? The country is heading for national bankruptcy. These are strenuous days for the poor retailer and wholesaler; they are driven to the wall with artificial controls. I do not wish to embarrass the minister, far from it, but I believe that this discussion will strengthen his hands and do a great deal of good, and that it will be discussed in the country. It will not be possible to increase the income tax or obtain any further money unless we retrench and get value for our money—either income taxes or death duties or anything else, and the government may never collect any proposed increases.

Mr. ILSLEY: The next item is "comptroller of the treasury."

Mr. MICHAUD: After external affairs.

Mr. ILSLEY: We will skip external affairs for the moment.

Mr. NOSEWORTHY: Are we including the item mentioned in the same line, "dependents' allowance office"?

Mr. ILSLEY: Yes; the item is:

Comptroller of the treasury, dependents' allowance office and outside establishments, $4,979,617.

Mr. NOSEWORTHY: When the Minister of National Defence for Air (Mr. Power) brought his estimates before the house I called attention to the condition of the dependents of our men in the forces as I had observed them in the riding from which I come. The Minister of National Defence for Air then informed us that he would discuss with his colleagues the question of granting a cost of living bonus to these dependents. I understand that this dependents' board was set up on November 14 last. Four days before that board was set up a deputation came to the Minister of Finance from Toronto representing certain organizations interested in our men in the forces and overseas. It was the considered opinion of those representatives that the cost of living bonus was a much more satisfactory solution of this problem than that proposed by the minister at the time. I am further informed that the minister asked that deputation to give his plan a fair trial. I have here correspondence from the ladies auxiliary of the Royal Canadian Engineers, and am assured by that organization that after having given the minister's plan a trial they are convinced that this board and the granting of dependents' allowances to the wives and families of men in the forces do not constitute a solution of the problem.

In the first place it has the appearance of charity. These wives must admit to their homes social service workers, who are required to check the family budget to discover whether they can advise the soldier's wife where and how she can make her budget go further. Then application is made through the social service representative; if approved, it is sent on to Ottawa, and, if it is approved by Ottawa, the dependents in the course of two or three months receive a cheque. While this board was set up in November, I understand that the first payments did not reach the families in Toronto until the winter months had passed; it was along some time in March or April before many of the dependents were receiving any allowances from this board.

I understand that the stock argument in favour of this board and against the cost of living bonus is that some of these wives are unable to manage their own affairs, unable to manage their budget economically. That may be true of a small percentage of them. Social service workers have estimated that it is true of probably two per cent of the dependents. The fact remains that these families managed their own affairs while their husbands were in Canada. They are asking to-day why it is that they should be the one class of citizens to be discriminated against in this respect. Practically every other group of citizens below certain wage levels are granted the cost of living bonus. In the great majority of these cases if the men had remained at home and gone to work in war or other industries the families would be receiving cost of living bonus to-day. They and their families are being penalized because they showed sufficient patriotism to enlist in the forces. I maintain that one of the great deterrents to enlistment to-day is the sight across the road of a

soldier's wife and family who have to depend upon what to all intents and purposes is charity to secure sufficient money to get by.

I should like to read to the committee one or two short extracts from letters from the officials of the ladies auxiliary to the Royal Canadian Engineers on this question. It is pointed out here that social service workers came into twelve typical homes in Toronto and tried to find ways and means whereby these wives could do better than they were doing with the income at their disposal. Matters came to such a strait that a number of these wives offered to turn over their homes, their children, the management of their homes to social service workers in order that the wives themselves might work out and earn something for their own subsistence. There is a standing offer made to these social service workers to come in and manage a dozen of these homes to see if it can be done any better than it is being done by the women in charge. So far no offer of that kind has been accepted.

I have one paragraph here which expresses the feeling of those people. They say:

> Just because possibly 2 per cent of dependents are indiscreet, poor managers, unable to handle funds to the best advantage, does that mean that we must all be "assisted" by social service workers or starve and freeze; failing that we can "make application" humbly I suppose for "assistance"—they don't like it called "charity", and if the committee gives favourable consideration the "award is recommended." Do the powers that be feel that all dependents are unable to manage their own affairs? Do they feel that all dependents should be shoved and bandied about in this way? Is their contribution to the war effort not great enough without being subjected to this indignity?

I am sure this matter has been taken up with the minister on a number of occasions, but I should like to direct his attention also to one case history which has been brought to my notice. It is pointed out here that in many of these families there is a sickness allowance. The regional committee in Toronto has on record cases of sickness, particularly of children, caused through nothing but insufficient food of the proper kind, or in fact food of any kind; lack of warmth in the home because of insufficient coal, and so on. One woman with four children had seven cases of measles in the home last summer and two cases of tonsilitis. During the winter the children were continually ill with colds. At the present time three children in that family are so underweight that the authorities have put them in the open-air school, while the fourth is being given extra milk at school in order to provide the child with sufficient strength to carry on the school work. I made the statement formerly that there were families in my riding worse off to-day than they were when the father was at home on relief. Since making that statement I have received letters from social workers in that riding assuring me that this is an actual fact. I have here a statement signed by certain teachers in a school in a district adjoining Toronto. They say:

> It has been brought to our attention through charity organizations that there are instances in York township where a soldier's pay is inadequate to keep the family. It has been stated there are cases where the family received more on relief than it now receives in the armed forces.
>
> We, the undersigned, as citizens in your riding, feel that the wives of the armed forces and the children, regardless of their number, should receive adequate financial compensation to relieve them from accepting charity. It is the least that can be done for families of men standing between the enemy and ourselves.

That is signed by thirty teachers in one of the schools attended by some of these children. I think it is generally agreed that the dependents' allowance serves a good purpose, in cases of sickness, where hospitalization is needed, and in the case of families with more than four children, since the government grants allowance for only four. But the point about which these dependents are concerned, the question they are asking, is why the family of the industrial worker should get a cost of living bonus while the family of the soldier cannot get it. I have been told by social workers in that district that they have great difficulty in restraining these women from mass demonstrations of their indignation against the government for its refusal to grant them this cost of living bonus. So I would seriously ask the Minister of Finance to consider the possibility of giving the soldier's dependents a cost of living bonus similar to that being given others in this country.

Mr. ILSLEY: I believe this matter was taken up on the defence estimates; at least I am so informed. At any rate that is the place where it should be taken up. The only reason why the dependents' allowance office appears in here is because part of the vote of $4,979,617 is for the expenses of the officers of the comptroller of the treasury who pay the accounts that are payable through that office.

Mr. HANSON (York-Sunbury): Administration.

Mr. ILSLEY: Yes. Any matter of policy, so far as the amount that should be paid is concerned, is for another department, not for the Department of Finance. Probably the hon. gentleman has in mind that last November, when dealing with a large number of demands on the government for cost of living

bonuses, it fell to my lot to deal with those demands because a statement could not be made by each of a number of ministers. It was essentially one matter, and I dealt with all the demands. Last fall we were confronted with demands for cost of living bonuses from old age pensioners, from those receiving war veterans' allowances, from superannuated civil servants and others whom I do not seem to remember. Some hon. member says "mothers' allowances." I do not think they applied to this government, because mothers' allowances are paid by the provincial governments. At any rate, at that time we had to decide what policy we were going to follow in reference to the payment of cost of living allowances; whether everyone in the country whose position was worsened by the increased cost of living was to receive a cost of living allowance, or whether we were to stick to the original intention of our cost of living allowance policy, which was part of our wage policy and nothing else. We decided we would do that. In regard to these dependents' allowances, I do not understand that the hon. gentleman wishes to drop our present system and turn to the cost of living allowance system.

Mr. NOSEWORTHY: No.

Mr. ILSLEY: The hon. member wants both systems; he says that this system is of value in case of sickness, where there are more than four children in the family, and so on. We do not think both systems are necessary.

With regard to dependents' allowances, it must be remembered that the experience we had to go on was the experience of the last war, when wives received a separation allowance of $25, during a period such as this, and at the end received a separation allowance of $30, at a time when the cost of living was far higher than it is at the present time. That is, it was only at the end of the war that it went up to $30. There was no allowance at all for the children. They were provided for out of what was called the Patriotic fund, which fund was administered by public-spirited citizens who voluntarily contributed money. At the beginning of this war what was normally to be expected was an increase in the cost of living, so at the outset we made the wife's allowance $35, which was $5 more than it was at the end of the last war, when the cost of living was much higher. We also provided allowances for children as of right, and in November we increased those allowances to cover up to four instead of only two children. There is a group—I will not say it is entirely confined to Toronto, but it centres in that city—which has written a great many letters, has come to see us several times, and has conducted a very earnest agitation—and I do not say that in any invidious sense—for the extension of the cost of living bonus to these dependents' allowances on principle, and that has been joined in by several members of this house. I was in the house one day when the hon. member for Peel (Mr. Graydon) was making a very earnest plea to the government to add to this cost of living bonus; that is, since it was $35 at the beginning of the war, and the cost of living had gone up 15 per cent, it should be $40 now. Apparently his argument was that, once having set the amount at $35, the government was—I will not say "hooked"—but committed to that amount, and that it should increase according to the increased cost of living.

I am not the one to whom the agitation was directed, although I received the delegation on one or two occasions. In addition, I have received many letters from the delegation in language very much like the language the hon. member has just used. But I am sure that in many parts of the country the system we have adopted is regarded as, if not completely, at least reasonably satisfactory. This perpetual harping on what they call charity—and the hon. member has identified himself with that group—is entirely unwarranted and entirely unjustifiable. There is no charity about the matter at all.

The government has come into this, very much the same as the Patriotic fund came in. But after making much wider and more binding provisions as of right for the wives and children, the government has put up a fund, where money is needed. In some localities the cost of living is much higher than in others. Rents may be higher in one place than another.

However, I have talked to people around the country who think the present provision is reasonably satisfactory. Of course that will not satisfy those hon. members who think money does not make any difference at all, and that we can pay unlimited amounts. But I do suggest that the government ought not to be accused of being indifferent, careless or unintelligent in the way it has handled this problem.

Mr. HANSON (York-Sunbury): I was rather startled to hear the hon. member make the assertion that the amount paid to the wife and children of a man on service was less than would have been received had he been on relief. I can scarcely credit that. From memory I have put down some figures respecting the amount paid to a soldier with a wife and four children, and if my premises are correct that amounts to $113 a month, made

up as follows: pay, $39; allowances, $35; $12 for the first child, $12 for the second, $9 for the third and $6 for the fourth. Twelve times that amount would be $1,356. I wonder if any municipality in this country ever paid that much in relief. If it did not, then that just shows an exaggeration which is not justified by the facts.

Further than that, my understanding of the policy of the government was that it would make the allowance from the very beginning, thereby doing away with a patriotic fund such as we had in the last war, under which some people gave a great deal and others gave very little. I understood the purpose was to spread it among the taxpayers of the country, where it belonged as a matter of business and not as a matter of charity.

Is there anything to the suggestion that the family to which reference has been made received more by way of relief than under present circumstances?

Mr. NOSEWORTHY: That statement was made to me by reliable social service workers, and I believe it applied to the case of very large families. In York South men, with eight or ten children at home, have joined the army. I can well believe they would be worse off under the allowance they are getting now—or were getting a few months ago, because I do not know what arrangements have been made since—than they were when they were on relief.

Mr. HANSON (York-Sunbury): Did the hon. member check up, or is this hearsay?

Mr. NOSEWORTHY: As to charity, may I point out that these women object strenuously to having social service workers come into their homes, checking their budgets and checking their outlay in connection with home management, and then making applications for allowances. To them this looks like charity—whether it is or not. That is one objectionable feature.

Mr. CHURCH: This is an item of about $21,000 less than $5,000,000, to the comptroller of the treasury for dependents' allowance, and it is made available to the dependents' allowance board. I am reminded of the provision made last fall with respect to men having more than two children. The minister surprises me very much, because all the time he seems to be offering special pleading against benefits for soldiers. For instance, there was the high cost of living bonus I supported, with an allowance for those with more than two children; then there was the matter of soldiers' insurance, free fares, and other matters of that kind.

This department is spending vast sums of money, but I have never seen anything in my

[Mr. R. B. Hanson.]

life like the way it is using returned soldiers, their wives and children. I believe if the minister had attached to his department a few soldiers who had served in the great war, it would be a much better department, and they would give the soldier and his dependents a break.

The public is not objecting to these war expenditures, if they are made in an all-out war effort and the soldiers given better treatment. But when we look at this list of payments we immediately see one for $50,000,000 to pay for subsidies under the price-ceiling order. While this large sum is made available for that purpose, there is not a cent for the soldier who is fighting our battles and his dependents. History will deal with those who have been responsible for that kind of work. I ask the minister to come down out of the clouds, and let something be done for our soldiers who are fighting our battles. I am sick and tired of hearing special pleading by the government when any matter of this kind comes up. Despite all the boards there are around the country, the soldier is getting little or nothing. Not many of them are even remembered in connection with the amendment the minister made of a small insignificant grant, just charity, instead of a real cost of living bonus.

The provision made for those with more than two children was just a sop; it did not amount to a snap of the fingers. Very few benefited by going before a board. All over the country the government is setting up these new boards, but very few of the soldiers, if any, get one red cent out of it.

I am not going to vote for any more of these things until we have a fair and square deal for the soldier who is fighting our battles and his dependents. He is not getting it at the present time.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. POULIOT: I have in my hand Beauchesne's "Parliamentary Rules and Forms, Second Edition", and I find that citation 502 reads:

> The estimates for the year are submitted to the committee of supply by the finance minister bringing them down in the house with a message from the governor general which is read in English and French, the house standing, by the Speaker or by the clerk at the table. The minister then moves "that the said message, together with the estimates, be referred to the committee of supply." The estimates are afterwards taken up at any time the government thinks proper.

According to the explanation that was given by the minister this afternoon, these estimates are part of the $2,000,000,000 appropriation for war purposes, and so I ask, why is the procedure different in this case?

Mr. ILSLEY: Because this money is not to be voted item by item. This appropriation is part of a bill, and this is the procedure that is followed by parliament in all appropriations of money by bills. If, for instance, we were to pass a bill, as we are doing, to set up a scheme of war risk insurance, and the bill provides that $5,000,000 shall be appropriated and placed in the hands of an insurance organization to be set up by the government for the purpose, the consideration of that appropriation of $5,000,000 goes, not to the committee of supply but to the committee of the whole house. That is the uniform rule applied to appropriations provided by statute. When we have estimates, which are submitted to the House of Commons by His Excellency the Governor General, the committee of supply procedure applies, the procedure which the hon. gentleman has just mentioned, and the committee of supply deals with those estimates item by item. But we do not go to the committee of supply with a bill of this kind.

Mr. POULIOT: I am sorry I cannot agree with the minister. There is, of course, a difference between estimates and grants; they are not the same thing at all. The kind of expenditure we are now discussing is called an appropriation, but simply because it is called an appropriation I do not believe that the procedure should be changed. The procedure should be the same as when the appropriations are just the ordinary estimates. A grant is something special, something out of the ordinary. But when we come to consider the expenditures of a department, even if there is some increase, they still remain estimates, and so I submit that the procedure should be the same and that this appropriation should come before the house in the usual way that estimates come. I know very well that if Mr. Bennett or Mr. Meighen or Mr. King or Sir Wilfrid Laurier or Sir Robert Borden had been the leader of the opposition at this time, he would have protested strongly against this procedure.

Mr. HANSON (York-Sunbury): I am to blame, I suppose.

Mr. POULIOT: My hon. friend the leader of the opposition may strike his bosom; nevertheless he has a responsibility in this matter—

Mr. HANSON (York-Sunbury): *Mea culpa.*

Mr. POULIOT: I cannot understand this procedure at all. This appropriation should have been brought before the committee of supply in the usual way, with a message from the governor general.

The CHAIRMAN: Does the hon. gentleman raise a point of order?

Mr. POULIOT: I am just submitting a question, Mr. Chairman.

The CHAIRMAN: The resolution was introduced into the house by the minister, and the minister stated that it had received the approval of the governor general and that it was recommended by his excellency to the house. That is the usual procedure with money bills. The resolution has been referred by the house to the committee of the whole. The point raised by the hon. member might have been raised and discussed in the house at the time when the motion was made to refer the resolution. I do not believe it is within the jurisdiction of the committee now to discuss the question on a point of order.

Mr. POULIOT: If you will permit me, Mr. Chairman, in the first place the whole matter was put on record by the Minister of Finance when nobody knew what was involved. Of course, the minister made a few preliminary remarks, and it was just because the members were not at all familiar with what had been put on *Hansard* that discussion was postponed. What the minister put on record was not submitted by way of a special motion.

It was just put on record when the Chairman was in the Chair, not yourself, Mr. Chairman, but an acting chairman, and I had just started to ask a question of the Minister of National War Services when I was told that we were going to proceed with finance.

The CHAIRMAN: Order. The resolution was placed on the order paper. When it had been on the order paper for the prescribed period, it was taken up by the house, with His Honour the Speaker in the Chair. A motion was made that this resolution be read a first time, and, then, that it be referred to the committee of the whole. If some hon. members did not notice it, the matter can no longer be discussed here. This committee has been properly seized, without protest, of this resolution, and the action taken by the house is not subject to review by this committee at this stage.

Mr. WRIGHT: I do not know, Mr. Chairman, whether I am in order after your ruling in raising a question respecting the administration of the dependents' allowance legislation which I wish to bring to the attention of the minister. Am I in order in doing that?

Mr. ILSLEY: May I say a word on that? If the hon. gentleman is proposing to discuss a decision of the dependents' allowance board, that should have been discussed under national defence. If he has in mind some administrative action of the comptroller of the treasury, who is merely in this case a cheque-signing and sending officer, it is in order under this. But I think it is important to keep that distinction in mind, because this is an item to pay the expenses of the comptroller of the treasury for sending out money for various war departments, and this is one of them. I would ask hon. members, having fully discussed the subject of dependents' allowances when national defence was before the committee, to refrain from discussing it under this finance item.

Mr. HANSON (York-Sunbury): As a matter of expediency and convenience, what the minister is suggesting is correct, but under an administrative item I think a member of the House of Commons has the right to discuss any matter that requires redress of grievances.

Mr. ILSLEY: I would just point out that if the position taken by the leader of the opposition is correct, there is no limit whatever to any part of our war expenditure that can be discussed now, because the comptroller of the treasury pays all the bills—

Mr. HANSON (York-Sunbury): I expect that is true.

Mr. ILSLEY: —and under this item the whole field can be ranged over. For the sake of expediency, if for no other reason, I do not think we should go over these matters time after time. There would be no need to call in any other minister if this could be done.

Mr. WRIGHT: The matter I wish to discuss is directly connected with the administration as it applies to outlying districts in our province. At the present time apparently the dependents' allowance board have no way of deciding—

The CHAIRMAN: Order. Does the hon. gentleman address his remarks to a special item relative to the war, or is he discussing the general administration of the dependents' allowance legislation?

Mr. WRIGHT: No, it all has to do with the war, and this has to do particularly with the administration of this legislation in the outlying districts of Canada where the dependents' allowance board have no representative to interview people who are coming under the legislation, and therefore send out to postmasters or to various parties who hold government positions in those parts, asking them to convene boards to interview people to see whether they come under the legislation. That is the point I wished to discuss.

Mr. ILSLEY: From my point of view that is purely a national defence matter. The Minister of National Defence, not the Minister of Finance, is the minister responsible for the operation of the dependents' allowance board, and I submit that the matter should not be taken up under finance estimates.

Mr. MacINNIS: Am I right in assuming that this item has to do with accounting only?

Mr. ILSLEY: That is correct.

Mr. ROSS (St. Paul's): I was going to say something about this dependents' allowance, but I do not see any reason for kicking a dead horse. The point is, I was here last year in connection with this matter; a delegation came from Toronto, and we had a nice hearing, but we did not get any place on the question of a bonus to dependents. The government will do nothing. What I do wish to discuss is a question in connection with the administration, not only under this one item, but regarding the hiring of clerical help by the government at the present time. What have we? We have at the present time private enterprise, large institutions of one kind and another which are not war industries but are essential to the country even in time of war. The salaries which have been paid to clerical help, mostly women, may be considered in this way: take a girl earning $70 a month; she is allowed a cost of living bonus; but we cannot go any higher; we may not give her more than that.

Mr. ILSLEY: On a point of order, can we not keep to some rule of discussion here? Otherwise, I again say, there will be no end to this discussion. The hon. gentleman is apparently discussing the matter of salaries of civil servants as compared with salaries paid outside, salary restrictions, and so forth. That does not come under this item, whatever other item the hon. gentleman can discuss it under. I suppose it would be under the salary ceiling order of the Minister of National Defence; he has the administration of that order. Unless we are going to cast all system to the winds, the matter should not be discussed under this item.

Mr. ROSS (St. Paul's): Surely the people of this country, who are putting up the money—

The CHAIRMAN: Is the hon. gentleman speaking to the point of order?

Mr. ROSS (St. Paul's): Yes. Surely the people of this country are putting up the money to pay these people and they have the right to say something about how it is paid. If we are to vote the money, we certainly have the right to know what will be done with it, how it is going to be expended, and we are entitled to express our views with respect to what we think are grievances on the part of people whom we represent.

The CHAIRMAN: That is not a point of order.

Mr. ROSS (St. Paul's): Just at the present time when this—

The CHAIRMAN: Just a moment, please. Does any hon. member desire to speak on the point of order raised by the Minister of Finance?

Mr. ROSS (St. Paul's): Mr. Chairman, I should like to finish my discussion—

The CHAIRMAN: The hon. member was not addressing himself to the point of order; he was addressing himself to the merits of a question that he raised. There is a point of order raised by the minister, and I must dispose of it.

Mr. ROSS (St. Paul's): Mr. Chairman, I suggest that on the point of order I, as a member of this house, have a right to discuss just what I am saying.

The CHAIRMAN: The minister did not challenge the right of any hon. member to discuss public expenditures. The point of order is that we are not in committee of supply, but in committee of the whole house on a special resolution, for war appropriations, and the general administration of the dependents' allowances legislation does not come under the resolution now before the committee. I must rule that the committee must limit its discussion strictly to the matter now before us. The general administration of the legislation will be a proper subject of discussion on the estimates, in committee of supply.

Mr. HANSON (York-Sunbury): On a point of order, Mr. Chairman, if any hon. member is not allowed under this $4,979,000 item to discuss the operation of outside establishments, "dependents' allowance office and outside establishments," which is under the control of the treasury, I fail to see where he will have an opportunity to do so at all hereafter, having regard to the fact that the defence estimates are through. This is not part of the defence estimates, but the fact that the minister chose to go into a discussion at that time under that, does not wipe out the opportunity hon. members have of discussing the administration of the "dependents' allowance office and outside establishments." That means the whole service, because they are all paid out of this vote, this administration, and surely we can discuss under this item anything relevant to the operations of the dependents' allowance board.

The CHAIRMAN: I shall quote May on "Parliamentary Practice," at page 521:

> The committee of supply controls the public expenditure by considering the grants of money that will be required for the army, navy, air force, and civil services (including revenue departments) during the current year.

That is to say, the proposed expenditures submitted in the annual budget. The item now before us covers special expenses attributed to the war and to be incurred by the comptroller of the treasury, in checking certain expenditures. I repeat that we are not in committee of supply but in committee of the whole. Any question with respect to the expenditure of this sum of $4,979,000 is in order. Any question with reference to general administration and other proposed expenses submitted with the annual budget is outside the scope of this resolution.

Mr. HANSON (York-Sunbury): The annual budget, to which the Chairman refers, is not in the estimates submitted; it is in the war appropriation measure for the dependents' allowance. There is nothing in the annual budget to pay dependents' allowance. It is all under this two billion dollars, is it not? If I am correct in that premise, then I submit with great respect that the Chair is wrong.

Mr. MACKENZIE (Vancouver Centre): Surely the question of dependents' allowance was discussed by the Minister of National Defence (Mr. Ralston).

Mr. HANSON (York-Sunbury): I am discussing the technical aspect of it.

The CHAIRMAN: In the first place, we are not in committee of supply, and in the second place we are concerned only with an item of $4,979,000. Questions regarding this expenditure of $4,979,000 are in order. Questions with reference to other expenditures are outside the scope of this resolution. I so rule. Of course, my ruling is subject to appeal.

Mr. ROSS (St. Paul's): May I submit, on a point of order—

The CHAIRMAN: No; my ruling has been given and is not debatable.

Mr. ROSS (St. Paul's): Surely I have the right—

Mr. HANSON (York-Sunbury): The hon. member for Melfort would be in order if he wanted to talk about outside staff.

The CHAIRMAN: Any information sought with respect to the expenditure of $4,979,000 is in order. Anything outside is not in order.

Mr. ILSLEY: I will give the items making up the $4,979,617 and perhaps the hon. gentleman can bring his remarks under one of these. If he can, I have no objection, but I would ask members to confine their remarks to the items as we take them up; otherwise we shall ramble all over the whole field. This amount is made up as follows: Salaries, temporary, $3,901,752; cost of living bonus, $217,865; travelling expenses and subsistence allowance, $200,000; printing and stationery, $350,000; rental of equipment, $135,000; sundries, $175,000. This makes a total of $4,979,617. It will be remembered that the salaries to which I have referred are salaries of employees and officials of the comptroller of the treasury.

Mr. ROSS (St. Paul's): Salaries are what I wish to discuss, and I want to compare the situation. I can do it within the department itself or within any one of many departments. In the earlier days of the war we had people coming to Ottawa and offering their services, and they got into one position so that the only increases in salaries they can get now are increases which are due to promotion. In the city of Ottawa to-day a young woman getting only $70 a month and having to pay her board is having a pretty tough time, and the next thing she knows, a new and inexperienced girl is taken on. She is taken on because they cannot get them at less than $90 or $100 or $120. We know this is so. Moreover, they have not the experience of the girls who have been in for some time, but because of the wage ceiling these older girls cannot get anything but the cost of living bonus. The same situation exists in private enterprise. We must preserve certain of these essential industries, and we find all over the place that girls are leaving because the company itself cannot raise salaries to the level being paid for girls in the service. There exist therefore these two classes: girls who have been in the service for some time who cannot get an increase, and girls in private industry who also are unable to get any increase. All I have to say is this. There never was anything in the world that called so much for compulsory national selective service as this very situation.

The CHAIRMAN: The hon. gentleman is discussing the classification of civil servants and the salaries attached to various employments under the Civil Service Act. I must rule such discussion out of order as not covered by this item.

Mr. HANSON (York-Sunbury): What the hon. member is complaining of, if I apprehend it rightly, is that the government is competing against private industry and paying wages which private industry cannot pay, and that of course is true all over the country. The government is draining away from private industry some of their best employees because it is competing for them. The government is going into the professions and taking lawyers and so on. That is what the hon. member is arguing against. Certainly that is relevant.

Mr. REID: What are the duties of officials of the treasury board? Can they override decisions and judgments handed down by the dependents' allowance board? When one applies for dependents' allowance investigators are sent out, and a complete investigation is made of every individual case, both in regard to the papers sent in and on the ground by an investigator. A decision is made, and the treasury board officials have in some instances, I believe, overridden the decision of the board. We did not always have treasury board officials. All auditing used to be done by the auditor general's department, but from 1933 on we have had these officials, and there are many of them. I do not know whether they are double-checking, but I should like the minister to give an explanation. Can these officials or can that board override decisions of the dependents' allowance board?

Mr. ILSLEY: Let me make this clear: many hon. members, I am sure, confuse the treasury board and its organization with the comptroller of the treasury. We are discussing now the comptroller of the treasury and his officials.

Waiving the point of order with the consent of the committee, may I say that there is a section of the dependents' allowance regulations, No. 119, which allows certain discretionary grants to be made with the approval of the treasury board, and the treasury board sometimes refuses that approval.

Mr. MacINNIS: Will the minister explain the item, "premium for the purchase of Dominion of Canada registered stock"?

Mr. ILSLEY: The Canadian government agreed to the redemption of certain securities held abroad. We refer to it often as repatriation of securities held in the United Kingdom. The procedure is as follows: The United Kingdom government obtained these securities, paying the market price for them. Some of those securities—I am talking about Dominion of Canada bonds—were at a premium; the United Kingdom government had to pay more than par for them. We paid to the United Kingdom government what it paid for them. There is no authority under any of our war loan acts or appropriation acts to pay a premium in that way, so we had to use the War Appropriation Act. And the premium up to a certain date was $725,000.

Mr. MacINNIS: In other words, this transaction would not be on a purely business basis?

Mr. ILSLEY: Yes; we paid the market price that the United Kingdom had paid to the holders.

Mr. HANSON (York-Sunbury): The government is carrying out an obligation?

Mr. ILSLEY: Yes.

Mr. MACDONALD (Brantford City): On the item "wartime prices and trade board", on Monday and Tuesday when the estimates of the Minister of Finance were before the committee certain hon. members made reference to the so-called price-ceiling regulations. The Minister of Finance is responsible to the house for the administration of those regulations. I have been wondering if hon. members realize what a great responsibility is on the shoulders of the Minister of Finance at this time. It has been necessary for him to arrange the financial structure of this dominion so that the war can be carried on successfully so far as money is required for that purpose. Canada has had many great ministers of finance, but I do not think there has been any minister who has had a clearer understanding of our financial structure, or who has been better informed on finance generally, or who has been more industrious and capable, than the present Minister of Finance.

Some hon. MEMBERS: Order.

Mr. MACDONALD (Brantford City): I am satisfied that all hon. members will agree with me when I say that in the long line of great ministers of finance Canada has had the present minister stands with the greatest of those great ministers.

Mr. HANSON (York-Sunbury): I suppose this is all in order under the Chairman's ruling?

Mr. GRAYDON: What item is this on?

Mr. HANSON (York-Sunbury): This eulogy of the Minister of Finance I am sure must be obnoxious to him, and I think it is contrary to the ruling you, sir, have just given.

The CHAIRMAN: No; I do not see that there is any conflict between the ruling given and what the hon. member is now saying. We are on the wartime prices and trade board administration, and any hon. member has the right either to eulogize or criticize that administration.

Mr. ROSS (St. Paul's): I was ruled out of order because I criticized the administration.

Some hon. MEMBERS: No, no.

The CHAIRMAN: In the first place the hon. gentleman cannot at this time discuss a former ruling. Further, the hon. gentleman was called to order because he was discussing something which was not before the committee. We are now discussing the administration of the wartime prices and trade board. The hon. gentleman who has the floor is saying that he finds it very much to his liking.

Mr. GRAYDON: Is there a subsidy on molasses?

Mr. MACDONALD (Brantford City): I would point out that in former wars the enormous sums of money involved in this war were not then involved. Where previous ministers of finance dealt with thousands of dollars, our present minister is dealing with hundreds of thousands; where they dealt with hundreds of thousands, he is dealing with millions; and where they dealt with millions, he is dealing with billions. I would remind hon. members that it was his department that arranged the gift of a billion dollars to Great Britain.

Mr. DOUGLAS (Weyburn): Is that included in this item?

Mr. MACDONALD (Brantford City): Not only did he arrange that gift to Great Britain, but he also arranged a loan of $700,000,000 to that country.

Mr. DOUGLAS (Weyburn): Has that anything to do with this item?

Mr. HANSON (York-Sunbury): Nothing whatever. According to the Chairman's ruling it is entirely unwarranted.

Mr. MACDONALD (Brantford City): If hon. members will bear with me, I shall soon come to the item under discussion.

The CHAIRMAN: There is a point of order. It is that the gift of a billion dollars to Great Britain is not related to the item before the committee. I must rule that it is not; and further, that item of a billion dollars to Britain was the subject of a previous debate during the present session.

Mr. HANSON (York-Sunbury): It is only the debate that cannot be referred to, not the item. Let us have a little consistency.

The CHAIRMAN: For the purpose of the point of order, there is no difference between the debate and the item. The debate arises out of the item.

Mr. MACDONALD (Brantford City): I shall not refer further either to the item or the debate. I bow to your ruling, Mr. Chairman, I always do. As far as my memory serves me, I have always found your rulings to be correct.

I am further satisfied that all hon. members agree with me when I say that our present Minister of Finance has had a very heavy burden to bear, that he has borne it well, and that he has given Canada great service during the time he has been Minister of Finance.

Among the various boards administered by this department is the wartime prices and trade board. In another place I said there were three great problems facing Canada at this time. There was the problem of supplying armaments of all kinds to our armed forces. There was the problem of securing men to produce those armaments and also to maintain, reinforce and increase our armed forces. There was also the problem of preventing a devastating period of inflation in this country. I will deal only with the last-mentioned problem to-night. To me, inflation is a cancerous growth gnawing at the body politic which, if not checked, will develop into a galloping disease that will leave only misery and disaster in its train. Inflation affects injuriously all classes of our citizens. First, it affects the poor. It affects the workingman and the farmer, bringing misery to all. For that reason this government should do all in its power to prevent a devastating period of inflation from taking place either at the present time or when this war is concluded. I believe all members of this house are opposed to inflation, though a number of hon. members have opposed the method chosen to control our money and credit. The hon. member for Ontario (Mr. Moore), who is one of the outstanding economists of this continent, has opposed the method which was adopted by the government in bringing in that legislation. Speaking in this house in a previous debate—

Mr. DOUGLAS (Weyburn): What date?

Mr. MACDONALD (Brantford City): Perhaps I am not absolutely in order; it was in a debate which was in progress on February 9 of this year. I need not quote his words, but he referred to inflation as illusive. During the present debate the leader of the opposition said, as reported at page 2925 of *Hansard:*

> I am in favour of control in war time to prevent inflation, if it can be done by any kind of decent method.

It was the method to which the hon. gentleman objected, not the control of inflation itself. Then on Monday of this week the hon. member for Rosetown-Biggar (Mr. Coldwell) said, as appears at page 2926 of *Hansard:*

> I am not complaining that the government did attempt to control prices. I think it was the proper thing to do under the existing circumstances.

So, Mr. Chairman, practically all hon. members are in accord with the policy of the government in its attempt to control prices. What has the government attempted to do? It has endeavoured to keep prices within reasonable bounds. In his speech on September 20, 1941, the Prime Minister said:

> By its policy the government hopes to avoid the fears, the sense of insecurity, the suffering and the profiteering which the inflation of price inevitably brings in its train. The measures now announced should help in winning the war, facilitate recovery and reconstruction.

I ask, was the government properly alarmed with respect to the rise in prices? Already there has been placed upon *Hansard* a record of the cost of living index. I propose to place it upon *Hansard* again, in order to impress upon hon. members the serious situation toward which this country was drifting in October last. The base figure is 100, being the average from 1935 to 1939, and the rise is shown as follows:

August, 1939	100·8
November, 1939	103·8
February, 1940	103·8
August, 1940	105·9
February, 1941	108·2
March, 1941	108·2
April, 1941	108·6
May, 1941	109·4
June, 1941	110·5
July, 1941	111·9
August, 1941	113·7
September, 1941	114·7
October, 1941	115·5

Hon. members will see that there was a rise of almost six points in the first year of the war and that within a little over two years the

cost of living index had risen by more than fifteen points. At that time the government, in a masterly stroke, passed regulations which it hoped would stabilize prices, wages and salaries. Never before had such drastic legislation been attempted in this or any other democratic country. In making the announcement the Prime Minister stated:

> The action I am about to explain represents an experiment hitherto untried on this continent, and perhaps, having regard to its breadth and variety, hitherto untried . . . by any free country anywhere.

Then Mr. James S. Duncan, who for some time was deputy minister of national defence for air, which position he held when the commonwealth air training plan was established in Canada; a man who gave freely of his ability in the establishment of that plan in Canada, speaking before a meeting in the city of Toronto, is reported as follows:

> Mr. Duncan congratulated Mr. Ilsley "for the courage and vision you have shown" in introducing price and wage ceilings legislation —"the boldest economic measures which have ever been taken under similar circumstances in any country throughout the world."

If Canada has stopped an undue rise in prices; if Canada has prevented inflation, the credit for that belongs to those who have been responsible for bringing in and administering this legislation. I should refer to Mr. Donald Gordon, who is head of the wartime prices and trade board which, as we know, administers the regulations. Some hon. members may consider that he has too much power. Nevertheless I think we must all agree that he has had a difficult task, and that he has done it very well indeed. Also credit for what success has been attained is to a large extent due to the people of Canada who have been willing to accept the drastic regulations which have been imposed upon them.

I would refer particularly to the women of this country. They have accepted the regulations and have endeavoured to prevent a rise in prices. As hon. members have heard before, the women do 80 per cent of the retail purchasing in this dominion. The regulations could not be a success unless they had the support and endorsation of the people.

In making his announcement the Prime Minister further stated:

> In a democratic country price control cannot succeed without the active support and co-operation of the masses of the people. It will require the cooperation and the support of all. Its success will depend not alone upon the government but equally upon the willingness of all who are affected to accept, and to accept cheerfully, the limitations imposed upon them as a necessary contribution to Canada's war effort.

I asked a moment ago if these regulations had succeeded. My answer to that question is that they definitely have succeeded, and that the imposition of these regulations has prevented inflation and has maintained price stability. It was never intended that these regulations should be a panacea or a cure-all for all the evils of rapidly rising prices. The Prime Minister himself stated it was not hoped that they would be such a panacea.

According to the cost of living index, six months prior to the bringing in of the regulations the cost of living had risen approximately seven points. Six months have now passed since the regulations were brought in, and I am happy to say that the cost of living index has not risen even one point. That is indeed a great credit to those who conceived and to those who are carrying out the regulations.

We have heard a great deal about what is being done in the United States. I, along with all other hon. members in the committee, am indeed happy to know that the United States is doing such great things toward successfully prosecuting the war. However, in the house from time to time we have heard of the lack of what should be done by this country, and in many instances we have heard nothing but fault-finding with what has been done here. Indeed at times I feel that we are developing an inferiority complex with respect to our great war effort.

I am not going to quote further at this time from what people in Canada think about our price-fixing regulations. I would, however, draw the attention of the committee to a leading article which appears in this week's issue of the *Saturday Evening Post*, a magazine published in the United States. By the way, while this magazine sells for ten cents in the United States, due to price regulations in Canada it sells for only seven cents here.

The article is headed "Canada Did It." That is something new to hear in this committee. It is written by Congressman Albert Gore, and with the indulgence of the committee I should like to read these extracts from the article which I believe hon. members will find most refreshing. The opening paragraph is in these words:

> One crisp Sunday morning last October, quite early, three men in a flurry boarded a Washington plane for Ottawa, Canada. The night before, Prime Minister Mackenzie King had announced the Canadian government's adoption of an over-all ceiling over prices, wages, salaries, services and rents—practically everything. And this was positively disturbing to the three agitated gentlemen and their chief, U.S. price boss Leon Henderson, for it came at a time when Mr. Henderson was marshalling arguments and strength to prevent a congressional committee from adopting a similar over-all-price-control bill.

Then the article goes on to state that a certain time intervened, following which representatives of the United States came to Canada. The article continues:

In recent weeks, aides of price administrator Henderson had been shuttling back and forth between Washington and Ottawa. This time, it has not been to find reasons why the over-all plan should not be adopted, but to decide how much of Canada's plan the United States can copy.

The reason for this shift in attitude can be told in a few figures. In Canada, the cost of living index has remained constant since last November. In the United States, living costs have continued their relentless rise. The official Canadian cost-of-living index actually shows a slight decrease from a high of 115·4 in November to 115 in February. In the United States, despite all piecemeal—selective—controls, it rose 2·4 points from November to February.

Canada stopped prices from rising. Her composite index of wholesale prices remained virtually fixed from November to February, rising only eight-tenths of one point in this time. During the same period wholesale prices in the United States rose 4·3 points. But more significant than index figures, the United States plan had failed.

Mr. DOUGLAS (Weyburn): What is that published in?

Mr. MACDONALD (Brantford City): In the *Saturday Evening Post* of June 6, 1942, and it is written by Congressman Albert Gore.

Mr. DOUGLAS (Weyburn): Is that not an anti-British, isolationist paper?

Mr. MACDONALD (Brantford City): I would say that this article is anything but anti-Canadian. It is a boost for Canada, and I think we should all be happy to hear a boost for Canada, from the United States, read in this chamber.

Mr. MacINNIS: Even though the *Saturday Evening Post* wrote it?

Mr. MACDONALD (Brantford City): The article continues:

In adopting over-all controls, Canadians fully realized they were attempting a difficult undertaking. Prime Minister Mackenzie King called it an "experiment hitherto untried on this continent and perhaps . . . hitherto untried by the will and consent of free people anywhere."

Then the article refers to the reluctance and misgivings we had with respect to bringing these regulations into effect. The article then goes on to say:

The official Canadian cost-of-living index had risen 7 points in the 21 months from August, 1939, to April, 1941. It jumped approximately 8 points higher in the 7 months from April to November. Price rises were coming thick and fast. Wholesale prices rose approximately 12 per cent in the 7 months from March to October, 1941.

[Mr. W. R. Macdonald.]

I would ask hon. members to mark these words:

Bold and effective action was necessary if Canada was to be saved from a wild runaway inflation. It was a hard choice, but Canada chose action—daring, adequate action.

That is what the United States thinks of the action which this country took to avoid inflation.

Mr. HANSON (York-Sunbury): That is the opinion of only one man. That is not the United States.

Mr. MACDONALD (Brantford City): It is the opinion of a congressman in the United States, which appears in a magazine read widely throughout the whole United States.

Mr. HANSON (York-Sunbury): And which has been extremely antagonistic to this country.

Mr. MACDONALD (Brantford City): The article goes on—

Mr. JOHNSTON (Bow River): Put it on *Hansard*.

Mr. MACDONALD (Brantford City): I am taking the liberty of reading part of the article to hon. members because I feel it should be good for the morale of the members of the committee to know what other countries are thinking about Canada. I will read one more sentence:

Now, despite its well-nigh incredible success to date, the programme has some hard tests in the months immediately ahead.

Yes; this legislation has hard tests in the months immediately ahead. During the last few days members from every part of this house have asked for increased prices. So far as I am concerned my sympathy is with those who are asking for increased prices. I would like to see all the farmers of this country get increased prices for their products where the price is not now adequate, and I would like to see all men who are working and receiving inadequate pay receive adequate pay. I am satisfied, I can say with confidence, that our government and our Minister of Finance are just as anxious as anyone else in this house that fair prices, fair wages and fair salaries should be given to all. But I would remind hon. members that if prices are increased and salaries and wages are increased, it serves little if the prices of the commodities they have to buy are also proportionately increased. There would be little gain for them in that. We cannot afford to have inflation in this country, even as we had it in the last war. It would not benefit the working man or the farmer to have increased wages and increased prices, if he at the same time had to pay

such prices as 25 cents a pound for sugar as he had to do in the last war. It must be the object of our government and of parliament—and I think we should help the government in doing so—to keep prices down.

Every time there is an increase in prices it is a string on the present effort of the government to prevent inflation and to keep prices on a reasonable basis. We cannot stand too great a strain. If the Minister of Finance granted increases on all the products which have been mentioned in this house in the last few days, I am satisfied that our whole price structure would break down and we would start on that terrible course of inflation which in the end would bring only misery to all. My plea, Mr. Chairman, to members of this house is to support the Minister of Finance in his great effort to prevent inflation, to stabilize prices, wages and salaries. Let us try to make adjustments as soon as possible where adjustments must be made. Let us do what we can to provide labour for the farm at reasonable prices. But let us keep in mind that we must maintain our ceiling; we must not let it get out of bounds, and if we will give the Minister of Finance the support he deserves in this great undertaking, I am satisfied that when peace dawns it will bring prosperity and happiness to all.

Mr. HANSON (York-Sunbury): We have just listened to a paean of praise from the hon. member for Brantford City for the policy of the government and to some fulsome flattery for the person of the Minister of Finance himself which I am sure he, with all his modesty, would have wished the member had not given utterance to, and incidentally thereby saved the time of the house.

At the risk of detaining the committee I wish to deal with this policy, which is a very important matter to the taxpayers of this country who are to be invited to pay to certain importers and producers next year in the way of subsidies in connection with the administration of this policy no less a sum than $50,000,000.

I should like to review a little the history of war finance in Canada, and then come back to discuss this policy. It will be recalled that in the first war budget which was brought down in September, 1939, the present Minister of Finance, then Minister of National Revenue, who delivered the war budget, laid down the broad principle of the government's policy of war finance, which was briefly the principle of "pay as you go". He elaborated that policy as consisting of two things: (1) An initial period of quietness and hesitation. Well, there was quietness and hesitation in the government's war effort; there is no doubt about that, and anybody who doubts it need only cast his mind back over the history of the first nine months of the war. There was quietness and hesitation not only in the government's financial effort, but in every effort of this government. Then (2) there would be a second period in which rising business activity and expanding income had acquired momentum. The minister laid down the principles which were in his judgment suitable for these two periods. I am not going to recapitulate them, save and except to say that the question of freezing wages and the question of a price ceiling on commodities was not part of the programme.

Then in the budget speech of 1940 the Minister of National Defence, then Minister of Finance, in a discussion of national income and financial policy laid down the principle that by far the greater portion of the increase of the national income should be used for war purposes, and I think we are all in agreement with that. That policy has been extended from time to time, and if I read the signs of the times aright it will be still further extended in the forthcoming budget. The Minister of Finance of that day went on to make the following statement, as reported at page 1014 of *Hansard* of 1940:

> If an appropriate financial policy is not followed the ultimate result will inevitably be that the government will be frustrated in its attempt to procure goods for war purposes by the competition of consumers who seek to spend their increased buying power to satisfy civilian wants. In that event, also, the familiar spiral of rising prices, then rising wages and costs, and then prices rising still further would begin to work. Prices would rise more rapidly than wages and salaries, and, by this indirect, hidden and most inequitable process the civilian population, and particularly the wage and salary earners and the receivers of fixed incomes, would be forced to curtail their consumption not only of luxuries but of comforts and necessaries as well. Eventually in such a process our entire economic life would be disorganized; a hectic period characterized by feverish speculation, waste and extravagance would develop; and a collapse of the inflationary structure would be as inevitable as it was at the close of the last war.

There he was picturing the spiral of rising prices and of wages and a collapse at the end of the inflationary period. That picture is not a pretty one. It is a condition that we should seek, if possible, to avoid. But the method of avoiding that situation visualized at that time was taxation and a transfer of the buying power of the consuming public to the war effort, which is a perfectly proper method and has been resorted to in this country, in England, and in other places where this question has been uppermost in the minds of those who have these responsibilities.

That was the method, one of the main methods adopted to prevent this inflationary tendency. There was always the consciousness, of course, that the old economic law of supply and demand was difficult to counteract or defeat. I have never understood that you can ever beat the law of supply and demand even if you have 100 per cent cooperation of the public. There is such a thing as scarcity and there is such a thing as plenty; when there is scarcity and there is a buying power, inevitably there will be a rise in prices, and we have it to-day in this country. No government can control this underlying law of supply and demand except by setting up new controls day in and day out, involving regimentation of the people. Even then you cannot fully control it. That is a condition which attaches to war time, and you cannot possibly wholly escape it. I will say that you can do this, you can escape it in large measure, not so much by a system of control alone, but by a system of control plus the cooperation of the people. Without that cooperation of the people you cannot make it effective.

As I tried to indicate a moment ago, after painting that picture of inflation the then Minister of Finance said that the government's financial and economic policies had been designed to try to safeguard against that type of situation, mainly by taxation; adding that that had been evolved with the aim of avoiding unjustifiable price increases or speculative excesses. Clearly the then Minister of Finance at that date, June, 1940, visualized a period of inflation in the price of consumer goods as well as in other lines of business activity. What was his remedy then? It was, as I have said not only once but twice, taxation, and that is the orthodox manner, as I understand it, of preventing this sort of thing. That was the position which the then Minister of Finance took in June, 1940.

We now come to the opening of parliament in the fall of 1940, after the mantle of the Minister of Finance had fallen on the shoulders of my hon. friend opposite. He took part in the discussion on the debate on the address, and his speech was delivered on November 21, 1940. At pages 316 and 317 of *Hansard* of that date he was answering a speech in this chamber of the leader of the Social Credit group, who had challenged the principle upon which the government's monetary policy had been based, and if I recollect aright, had moved a subamendment reflecting upon the monetary policy of the administration. In the course of his speech the present Minister of Finance discussed the policy of the Social Credit system, and contrasted it with the government policy (a) of taxation and (b) of borrowing, which he was defending. He also referred to the dangers of inflation and the methods of controlling inflation, dealing, as I remember from reading his speech, with the Social Credit proposals for credit restriction, universal bonusing, and other suggested monetary policies. The minister than referred, as reported at page 317 of *Hansard* of that date, to the method of counteracting inflation by means—

Mr. BLACKMORE: I wonder whether the leader of the opposition did not use "credit restriction" where it should be "credit expansion".

Mr. HANSON (York-Sunbury): Possibly I did.

Mr. BLACKMORE: Credit restriction is so contrary to our ideas.

Mr. HANSON (York-Sunbury): Maybe that is my misinterpretation of the hon. member's position. I must say that I really do not understand what his position is, and I have to give the best interpretation I can.

Mr. BLACKMORE: It is expansion.

Mr. HANSON (York-Sunbury): It is *mea culpa* if I do not understand him. I am not going to blame him. The minister then referred, as reported at page 317, to the method of counteracting inflation by means of price-fixing on a universal scale as being the only alternative to taxation or borrowing out of savings, which was the government's announced policy. I propose to read at some length from what the minister said at that time. He said that if price-fixing on a universal scale were adopted, it would have to be accompanied by rationing and regimentation also on a universal scale. He gave the reasons. He said it was obvious that to fix prices without limiting the amount that any one person could buy would mean that only the first comers would be served. He was right in his reasoning. Therefore there would be rationing as a corollary of price fixing. In his mind—and I agree with him—the one is the complement of the other. If that method of control were to be adopted without the corollary, the first method would fall to the ground. What was the attitude of the minister then toward the entire policy of price fixing? I am reminded of a story told of the late President Coolidge. As hon. members all know, he was a man of few words. He went to church one day; as the story goes, his wife asked him what the minister preached about, and he said: "sin". "What did he say about it?" "Well, he is against it." The minister was against price fixing on the 21st day of November, 1940; there is no doubt about that.

Mr. JOHNSTON (Bow River): He has been converted since then.

Mr. HANSON (York-Sunbury): Well, I do not know what has happened.

An hon. MEMBER: He was "against sin".

Mr. HANSON (York-Sunbury): He was definitely against it, and he gave then the reasons for the faith that was in him. First, that there would have to be rationing along with price fixing, and that price fixing would fail without rationing. Price fixing of a few commodities and rationing of those few commodities was possible and would be fairly easy and need not have a very serious effect. But he said this, and I call the attention of members of this committee to this statement:

But price fixing and rationing on a general scale—

Mark you; he couples the two together; one could not succeed without the other.

—have at least two disadvantages.

I give you the minister's own words:

In the first place, this would call for bureaucratic interference in the private affairs of all Canadian citizens. . . .

And he was against that.

Perhaps I am speaking a little bit figuratively here, but generally speaking there would have to be a government spy in every grocery store. The Germans did this with some success, but the Germans are experts as spies.

These are the minister's own words, and then he proceeded:

The second objection is that—

He was dealing, hon. members will recall, with monetary theories; that was the basis of his whole statement.

—to issue quantities of money and then sterilize a large part of it by rendering it useless for buying purposes so that it will not come into competition with the money used by the government in its buying, and thereby cause prices to rise, leaves the holder of the money no better off than if he did not have it. This is equivalent to taxation or a forced loan.

I agree with the reasoning of the minister, but the hon. member for Lethbridge may not agree with it.

Mr. BLACKMORE: Hear, hear.

Mr. HANSON (York-Sunbury): I expected that.

Mr. BLACKMORE: The hon. member has several things to learn yet.

Mr. HANSON (York-Sunbury): Well, we all learn. The older we get, the more we know we have to learn; but for heaven's sake, if anybody is to teach us let it be intelligent teaching, so that the man in the street can understand it. I would observe this. The older we get, the more sensible we are, and we are not apt to take up new isms and fads. At least I am not, in my old age.

Mr. MacINNIS: That does not necessarily indicate sense.

Mr. HANSON (York-Sunbury): I want the committee to note this reference, and I want the hon. member for Lethbridge to note it.

Mr. BLACKMORE: I am listening.

Mr. HANSON (York-Sunbury): I quote.

It is true that the nazis in Germany have gone nearly as far as this with their price fixing and rationing, but even they with a dictatorship and with years of experience before the war, have had to combine this price fixing with very heavy war taxation and with borrowing enormous sums at interest rates higher than we pay in Canada.

This will be found at page 287, the second column of *Hansard* of November 21, 1940. The minister adds this testimony against the policy of price fixing:

Furthermore, if we did succeed, by price fixing in preventing inflation resulting from the financing of the war by creating new money, we would in the end only reach the same result that we shall reach by sounder methods.

I put emphasis on the words "sounder methods", for the benefit of both the minister and the member for Lethbridge.

Mr. ILSLEY: Sounder than the creation of unlimited sums of new money.

Mr. HANSON (York-Sunbury): The minister is just reversing the statement here. I have quoted correctly, have I not?

Mr. ILSLEY: Absolutely, yes.

Mr. HANSON (York-Sunbury):

—we would in the end only reach the same result that we shall reach by sounder methods; for if war production is to be the same in each case there will only be the same remainder of resources left over for civilian purposes. The new money dammed up in the public's pockets would be useless to it during the war, and after the war it would come bursting forth in a flood that would create inflation as soon as the rigid wartime price controls were once relaxed.

I am in more or less agreement with that. He is answering the hon. member for Lethbridge, but it is one argument against price fixing.

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): I put my own interpretation on the minister's words.

I suggest, however, that the crowning position taken by the minister is that found in the same speech:

There is another, and, from a war point of view,—

This was an argument against price ceilings.

—more fundamental point.

Mr. ILSLEY: If the hon. member will permit me, let me make clear what I was arguing. I was arguing against the financing of the war by the unlimited creation of money, and I said that under those conditions general price ceilings or price fixing would be virtually impossible and would have tremendous disadvantages. Those two things must be taken together. I was answering the hon. member for Lethbridge.

Mr. HANSON (York-Sunbury): The minister can make his argument. I am putting my interpretation on his words. In part he is correct.

Mr. BLACKMORE: May I interpose for a moment—

Mr. HANSON (York-Sunbury): I know the hon. member is going to make a long speech after I have finished, so I say to him, please let me proceed.

Mr. BLACKMORE: Just a moment—

Mr. HANSON (York-Sunbury): I hope we can avoid such interruptions. I object to the hon. member making a speech in my speech. I am not agreeable. If it is a question I do not mind.

Mr. BLACKMORE: Courtesy would allow me to make a statement.

Mr. HANSON (York-Sunbury): I think I am pretty courteous to most people, and I find most people courteous to me; but if the hon. member wants to make a speech while I am making my speech, I object. The minister said he was only answering one point of view. I submit that the whole reasoning of his speech was an argument against price fixing, and at times he was directing his attention against inflation by the issue of new money. That is only one feature of it, but his speech is directly against price ceilings and fixings by regimentation, and he admitted right off that you could not have stabilization unless you had the two factors—not only the ceiling but the rationing system as well. Yes, and as I am reminded, by the spy system, which is nauseating to the Canadian people. They may do it in Germany, but the Canadian people do not like it, and the minister was cognizant of that fact.

An hon. MEMBER: We have control.

Mr. HANSON (York-Sunbury): We have control, and I am not surprised at the list of employees that this board is setting up. It is setting up a number of young lawyers all over the country and a number of inspectors, and before this system is through we may get right down to the spy system. I am like the late President of the United States—I am "agin" the method. I am opposed to the method. I am going to say something about the objective in a moment, but I should like to continue. The minister can interpret it as he likes. I read the whole speech together:

There is another, and, from a war point of view, more fundamental point. It is suggested that we should finance by issuing new money so that we can bring all useful resources into production and avoid curtailing civilian demand. But if we are really to put forth the maximum effort in the war we must not only bring all our resources into use, but, in addition, restrict as far as possible civilian use of all those resources which can be used for war.

I am in agreement with the minister, on that point and against the hon. member for Lethbridge, on that specific point.

Mr. BLACKMORE: The hon. member for Lethbridge never stood for that point.

Mr. HANSON (York-Sunbury): I admit that I made a dogmatic statement, perhaps without proper premises.

What does the hon. member for Lethbridge stand for? Is there anyone in this house outside of himself who knows? Nobody knows. The minister, I think, thought he knew what he was standing for. This was a prepared speech made in answer to the hon. member for Lethbridge, and I am sure the minister thought he knew what the hon. member for Lethbridge meant. Possibly, like myself, he was mistaken. Possibly his intellect is not sufficiently developed to understand what the hon. member for Lethbridge does mean. That may be my fault; it may be the minister's fault, but that seems to be the position.

Mr. BLACKMORE: He is improving all the time anyway.

Mr. HANSON (York-Sunbury): I do not know whether he is. I do not think he will make any admissions along that line.

As I emphasized in the budget speech in the first week of war, it is necessary to increase employment and production to the maximum; but that is only part of our task; we must also divert all we can from civilian to war use.

We agree with that. But we certainly shall not be doing so if we refrain from borrowing and taxation. There the minister was coming back to the orthodox method of meeting this situation. That was the declared policy of

this government. Such was the attitude of the Minister of Finance and of the government towards price fixing as a policy to control inflation on November 21, 1940; such was the fiscal policy of the government. The minister opposed the policy advocated by the Social Credit party as being wrong from every point of view, not only from the point of view of monetary inflation, but on the basis of sound reason and sound business principles. He opposed it as being odious to the habits and thoughts and ideas of freedom of the Canadian people, and it is just as odious to-day.

Mr. BLACKMORE: Does the leader of the opposition oppose price fixing?

Mr. HANSON (York-Sunbury): I oppose the method. I am coming to what I propose in a moment. The minister condemned the regimentation of the people. He said that every detail of our economic life would have to be controlled by someone sitting here in Ottawa. He condemned it not only on the grounds that I have indicated but on the ground that the public policy which he advocated was sounder and better adapted to the purpose the government had in view.

That was the position of the minister and his party in the autumn of 1940. That was the position which obtained when the next budget was delivered. In the budget of 1941 we got our tremendous first dose of heavy taxation, and when we witnessed some of the largest loans ever issued by a government to the Canadian people that was a continuation of that policy.

Then, because prices began to rise, because there was a period of scarcity, the government suddenly, overnight, in the face of parliament meeting within a few days, brought into effect this policy and "froze" commodity prices on an uneven level. They have been tinkering with that level ever since.

Mr. McLARTY: Do prices ever get even?

Mr. HANSON (York-Sunbury): Well, I think the government could have used the powers it had to put them on an even level. They could have established even prices. But what did they do? They took a given period of time, between September 15 and October 11 and froze everything at that point.

Mr. McLARTY: Do you not have to have some basic period in which to fix prices, or would the hon. member never fix them unless they did the impossible and became even all along the line?

Mr. HANSON (York-Sunbury): I agree that you must have a base, but it does not necessarily have to be fixed overnight by order in council. The price-ceiling level can be related back to a given period of time. That is what should have been done.

Mr. ILSLEY: That is what was done.

Mr. HANSON (York-Sunbury): I am not going to elaborate this much further; I do not want to hold up this resolution. This is the longest speech I have made on this resolution since it came before the committee. Other hon. members have spoken at length. The hon. member for Témiscouata occupied more time than any other three members of the committee—I might say any five.

Mr. MACDONALD (Brantford City): Is the leader of the opposition trying to beat that record?

Mr. HANSON (York-Sunbury): No; I am not, and I am not making any fulsome eulogy to constitute myself the official back-scratcher of the administration.

Mr. MACDONALD (Brantford City): I have to say that I can look across at the opposition and see no one sitting there whose back is worthy of being scratched.

Mr. HANSON (York-Sunbury): That is a cheap remark. That does not let the hon. member out. If he has a question to ask I am willing to answer, but, if not, he had better contain himself, because, after all, he is through as I understand.

Mr. MACDONALD (Brantford City): The future will show that.

Mr. HANSON (York-Sunbury): The evils following inflation I am willing to admit. It is not the principle of inflation itself that is so bad, it is the results that follow in the deflationary period. That is what I think most of us fear. That is what we experienced in 1929. The minister's party were in power at that time, but they refused to read the signs of the times. That is what this country experienced after the last war when we had not much experience regarding the matter to guide us. I have said on more than one occasion that I do not want to see the evils of inflation come upon this country. But we want some plan or system adopted. There has never been a plan.

Mr. MACDONALD (Brantford City): Let us have your plan.

Mr. HANSON (York-Sunbury): It is not my responsibility. It is the responsibility of the government that put this policy into force; let them produce a plan. We have a system of

hit-or-miss, hit-and-run, trial-and-error. That is what it has been all the way through. Let me give a concrete illustration.

An hon. MEMBER: Oh, now!

Mr. HANSON (York-Sunbury): I would not go to the back-benchers over there to get anything, because I do not think the hon. gentleman who interrupted me has a thought in the world about the matter.

Mr. MACDONALD (Brantford City): Then there are two in the house in that position.

Mr. HANSON (York-Sunbury): The hon. member can speak for himself. I do not want to criticize the hon. member. If I said anything that hurt his feelings, I will take it back. I do not want to hurt anyone's feelings.

Let me give an illustration of this hit-and-run, trial-and-error system. We all know that instalment buying in times of rising wages, increasing national income, especially among the wage-earning population, rapidly develops into a very bad situation. I personally have always been against this system of instalment buying. But it has been encouraged, and it is legal. There is a way to cure it absolutely; just put an order through under the War Measures Act declaring that no conditional sale of chattels shall be legal, and you will not have any more instalment buying. The people who do the selling will not sell under those circumstances; such a sale would not be enforceable.

What happened when this ceiling was put on? Very properly, I thought, they insisted upon one-third down as the initial payment, one-third in so many months, and the other one-third in so many more months. Payments were required within three periods. If the board had adhered to that, a great many of the evils resulting from instalment buying would have been avoided. Instalment buying, of course, is inflationary; it is part and parcel of the whole inflationary system of the buying of consumer goods. If the board had adhered to that system of three payments, much of the danger and many of the improper things that go with instalment buying would have been avoided. I assumed that the order had been brought into effect after consultation with the large instalment houses. I do not know whether that was true. But one day I received a letter from three firms in my city who deal in these consumer goods and who have to compete with some of the bigger houses from upper Canada, who have branches in my city. This letter protested against a change in the system of instalment buying. Apparently we were back to the old 10 per cent initial payment on furniture. In other words the board had gone back on what I thought was a salutary proposal; and these three firms in my city, all substantial firms, protested and asked that the situation be put back where it was before. I wrote a courteous letter to the head of the board pointing out their arguments and making them my own. I received in reply a letter which, according to my interpretation, though I may be wrong, was to the effect that I did not know what I was talking about.

Mr. MacINNIS: Did you?

Mr. HANSON (York-Sunbury): I thought I did. One should know his own limitations, and perhaps I know mine better than anyone else could know them. I thought I knew what I was talking about. Well, I gave it up. The chairman of the board was in the driver's seat; I was just a lone champion of the people. That position is maintained to-day. I could go on and illustrate it in a dozen different spheres. There are constant changes of rules and policies; and I say to the minister that this programme cannot be 100 per cent complete unless, in addition to the freezing of prices, we also have the rationing method. I am not going to oppose the policy; the objective I have always thought was good, but I am dead against the method adopted.

Before I sit down I should like to say this. Here we have $50,000,000 in subsidies, which may be only a starter. That is a very substantial sum of money to be taken out of the people by taxation. This is not fiat money, I would have the hon. member for Lethbridge understand. This is not printing press money. This is real, good, hard cash paid by the taxpayers of Canada, and it is going to be paid to certain persons. In due course the minister will tell us what the proposals are.

Mr. ILSLEY: I have done so.

Mr. HANSON (York-Sunbury): Possibly the minister has done so, but in any event we are informed or are to be informed to whom this $50,000,000 is to be paid. This is a policy of robbing Peter to pay Paul.

Mr. MARTIN: And Paul should be paid.

Mr. HANSON (York-Sunbury): Well, I should say that Paul should not be paid any subsidy. Oh, I did not appreciate for a moment from whom that interruption had come. Well, I hope I will get a little support from Paul; but I am rather doubtful about it because apparently, if I judge appearances correctly, he is in the same category as the hon. member for Brantford City; he is looking for something.

Mr. MACDONALD (Brantford City): Mr. Chairman, I resent that.

Mr. HANSON (York-Sunbury): Well, I will take that back. I do not want to hurt the hon. member's feelings.

Mr. MACDONALD (Brantford City): I do not mind my feelings being hurt, but it is not true.

Mr. HANSON (York-Sunbury): If it is not true, I accept the hon. member's statement. I may be mistaken. It would not be the first time I have been mistaken, and I do not suppose it will be the last. Have I made the *amende honorable*?

Mr. GRAYDON: It is no crime to be ambitious.

Mr. HANSON (York-Sunbury): No; it is not. When the hon. member for Brantford City made his speech in seconding the address in reply, I commended the manner of the speech, though not all the matter. I suggested to the Prime Minister that the speech was at least worthy of consideration for a seat in the cabinet or, if that was too high a reward for the hon. member for Brantford City, then at least—

Mr. MACDONALD (Brantford City): Order. I do not think the hon. member should refer to a debate which took place this session.

Mr. HANSON (York-Sunbury): I am not quoting from the debate. I suggested that if that was too high a reward for him, then certainly he was entitled to consideration for a judgeship, or, at the very least, a senatorship.

Now let us be serious. I should like the minister to justify this vote of $50,000,000. Are we to pay any more subsidies on grapefruit juice brought in from the United States? We have provided that as a part of the diet of our armed forces, while the humble tomato, which contains many more vitamins than grapefruit juice, is not even prescribed for our men.

An hon. MEMBER: Potatoes.

Mr. HANSON (York-Sunbury): Well, potatoes are a great food, a great energy food, beyond any question. I will tell the hon. member for Brantford City that I would recommend a potato diet for him. If he were on a potato diet, he would not be so slim; he would have a little more fat on his frame, because it is a starchy food. Perhaps I am a good example of it myself. Potatoes are an energy producing food, and so is Manitoba hard wheat.

I think we should have some justification for this expenditure of $50,000,000. We must have that justification. I tell the committee that this is just another corollary of this whole question of a price ceiling. It may go even to $100,000,000 in another year, before we know where we are going. I have spoken much longer than I had intended. I thank the committee for a courteous hearing, and I hope I have made some contribution to the debate.

Mr. ILSLEY: I am afraid that I cannot answer the leader of the opposition in the vein in which he has addressed the committee to-night. Members of the wartime prices and trade board and their organization are working day and night to prevent what they think would be a terrible evil, that is, inflation; and in that belief I think they have the concurrence of the people of this country and the members of this house. To-night I was most interested in the attitude of the leader of the opposition. He placed himself, if not his party, unequivocally against the price-ceiling policy of the Dominion of Canada.

Mr. HANSON (York-Sunbury): The methods adopted; I was careful to distinguish between objectives and methods. You cannot put words in my mouth.

Mr. ILSLEY: Let us get this straight. The hon. member said to-night that he was against inflation. He was in favour of the objective of preventing inflation. Then he took up the method of preventing inflation which the government had adopted as its policy, a universal or general price-ceiling policy, and said that he was against that method. Am I wrong about that? I think that is correct.

I would not like any better issue, if we were talking about an issue at the present time, than that issue. I would like the people of the Dominion of Canada to know that the Conservative opposition is opposed to this policy of the federal government to prevent inflation. I would be prepared to go before the people of this country or of any other country—the people of any country with intelligent citizens, and defend what we have done.

Just consider the position—and if members of this committee do not remember anything else I say, I want them to remember these simple figures. During the first twenty-six months of the last war, known as world war No. 1, the cost of living rose 15 per cent. During the first twenty-six months of this war, world war No. 2, the cost of living

in the Dominion of Canada rose by 15 per cent. During the next seven months of the first war the cost of living rose by 13 per cent.

Mr. McLARTY: Additional.

Mr. ILSLEY: Thirteen points over and above the first fifteen points, making a 28 per cent increase in the total period of twenty-six plus seven months. But during the next seven months of this war the price level has risen less than one per cent. I want to say that in the last war—

Mr. ROSS (Souris): At whose expense?

Mr. HANSON (York-Sunbury): The expense of the producer, of course.

An hon. MEMBER: The farmer.

Mr. ILSLEY: Oh, on every side we hear that. We knew that when we brought it in anybody who was hurt or who could get a better price than the price he would get under the control would complain. We knew that. We expected that, and we doubted whether a policy such as this, a thorough-going policy such as this, was within the capacity of democracy. But nevertheless we put it in, tried it, and we have been amazed at the response of the Canadian people. We have been amazed at their willingness to assume sacrifices for a common end. Of course it would be easy for members of this house—any member of the house—to listen to a constituent who would say, "If it were not for this vicious, unjust, bureaucratic board I would be getting a little more for my goods." Oh, you will hear that on every side. But you cannot control prices without keeping prices below what they would otherwise be, and you cannot fight a painless or costless war, and win it.

The leader of the opposition has no policy. He has no alternative policy to offer. I have said in this house that in a time like this it is not good enough to do what would have been all right a few years ago, or probably before the war. It is not good enough merely to indulge in destructive criticism. It is not enough to say that the government has no policy, or that its policy is defective in this respect, or that it is defective in that respect. It is not enough to say, "If you ask me what my policy is, I say it is not my responsibility to say anything about it."

That is old-fashioned politics. That is not the kind of cooperation an opposition should give the government in a time of war, and the hon. gentleman knows that. I think we are entitled to something better than that. Criticism—yes; but not this negative, destructive criticism of the type we have heard to-night.

The leader of the opposition said something about a speech I made in 1940, and he made a very good argument, on the face of it, for the proposition that I have changed my mind. Well, if I have changed my mind, that is not a very great crime. No; it is not a very great crime.

Mrs. NIELSEN: It shows you have a mind to change.

Mr. ILSLEY: But I do want to point out exactly what I was arguing on that occasion. The hon. member for Lethbridge, as the leader of the Social Credit party, had introduced an amendment to the address in reply to the speech from the throne. His amendment was in these words:

> And this house further regrets the failure of the government to adopt a monetary policy that would permit a maximum war effort without either increasing debt or reducing the standards of living below that necessary for maintaining maximum efficiency;
>
> Furthermore this house is of the opinion that a continuation of the present financial policy will further destroy the precious liberties so essential to, and recognized as being inherent in a true democracy.

And in part of his speech, he said:

> Social Credit proposes to use the national credit to provide money without additional debt, without additional taxation.

I interpreted that to mean—and I think it could mean only this—that he would have financed our war expenditures, which that year were estimated to be one billion dollars—this year they will be three billion dollars or more, but that year they were only one billion dollars—not by borrowing, not by taxation, but by the creation of new money. I interpreted his speech in that way. That is how I interpreted it, and that is what he said. I argued that if we were to issue a billion dollars of new money or credit with the Bank of Canada, or to issue Bank of Canada notes, that we would have wild inflation. I said that nothing in the world could stop inflation under those circumstances. In considering the remedies which the hon. member himself had proposed, I pointed out that one of the remedies was price fixing—universal price fixing. It was in that connection, in connection with price fixing under those circumstances, and not under present circumstances at all, when we are taxing and when we are borrowing to a terrific level, that I said that you could not have these conditions. If the hon. member will read my speech particularly in that situation, and in the light of those facts, he will find that an entirely different complexion will be put upon it.

I say that if we were now to try to finance this war, not by borrowing $150,000,000 a month, as we shall probably have to do, not

by taxing to the extent of seventeen or eighteen hundred million a year, as we shall probably have to do, but by placing three billions of money to our credit in the Bank of Canada, or by the issue of that much money in notes, so that everybody in the country would have a great big bank account, or their pockets full of money, and if then we were to try to enforce a price ceiling to keep prices down—I say we would not do it without a spy in every grocery store, a spy on every corner. It would be impossible to do it, because of the pressure of purchasing power, and prices would be terrific.

It is for this reason that we have taken, not one method to prevent inflation, but two methods to prevent inflation. During the first year or two of the war we resorted to both remedies. We tried to relieve the pressure on prices by taxation and borrowing. In the summer of 1941 the price level was jumping from one to two points a month. It was going up so much that every month I was almost afraid to look at the cost of living index. It was terrifying to see how that cost of living index was jumping. That showed that our fiscal remedies were not sufficient. The only kind of fiscal remedy which would be sufficient would be the kind they resorted to in the middle ages, when they went into people's houses and searched their mattresses and their cellars and took nearly all the money they had. You cannot do that in a democracy. You cannot impose taxes so heavy that a great many people will not accumulate money. You cannot pile them on sufficiently so that people will not still have left a lot of purchasing power, and so you have to supplement your financial remedies with direct control. Therefore we instituted the price-fixing system.

What I was arguing against in that speech was against price fixing alone. But with the two lines of approach, marching against inflation on two fronts, we can beat inflation—if we do not tear the effort to pieces, if we do not bring up small individual cases, if we do not have to listen sympathetically to every person who says, "I could make more money if it were not for this price-fixing policy." If you are going to sympathize with everybody who has a complaint and at the same time attack the policy of the government, never advancing any alternative policy, you are not helping much. Bear in mind that our policy has worked and has been copied by the greatest democracy in the world. We are taking a course which we believe will prevent inflation. Hon. gentlemen may say: "Give them enough rope and they will hang themselves," so that my hon. friends will then be in a position later on to say: "I told you so."

I said that the law of supply and demand could not be defeated, that it was all a matter of scarcity. My hon. friend may think that is going to happen. It may happen. But I have been amazed at the success of this policy so far. It has succeeded so far. Compare conditions to-day with conditions in the last war, when we were spending on the war only 10 per cent of our national income as compared with 40 per cent to-day and when there was, therefore, far less severe pressure on prices than there is to-day. When one compares the two periods and what took place in the last war, I am confident that this is immeasurably the better policy.

The leader of the opposition said something about subsidies and that I would have to justify the payment of this $50,000,000. About a week ago I made a speech forty or fifty or sixty minutes long on subsidies, a most carefully prepared speech, in which I argued the whole matter out. I said that the total might not be limited to $50,000,000 but might be much higher, and I gave facts and figures which I think are sufficient to show that the expenditure of that money is a good investment. The hon. member for Rosetown-Biggar (Mr. Coldwell) interjected at the time, "an insurance premium," and I said, "exactly," —an insurance premium against evils which otherwise would overtake us. I am not going to say anything more to-night. I am going to listen to others if they have anything to say. I do not think the burden is on me to justify this policy any further.

Mr. MacINNIS: I am not going to take up the time of the committee in going over the past policy of the Minister of Finance and his party. I believe that every hon. member of this house is agreed that the Minister of Finance is doing a very good job in a very difficult time, and there is no reason why any hon. member, no matter which side of the house he is on, should not make that statement. It is a plain statement of fact, but again that is no reason why we should not criticize the minister on points where we feel there is room for criticism. After all, criticism must of necessity be a matter of difference of opinion.

It is a rather strange trick of fate that the advocates of laissez-faire should have been put into the position where they have been compelled to use controls to meet a crisis. We were in a crisis in this country from 1930

to 1939, a crisis in which hundreds of thousands, almost millions, of the people of Canada were starving.

Mr. McLARTY: No.

Mr. MITCHELL: That is not true, and you know it.

Mr. MacINNIS: It is true, and if my hon. friend does not know it he ought to know it, because in 1936, 1937 and 1938 he was in control of the slave camps in British Columbia where the unemployed were congregated. There were at one time in that period 1,500,000 people on relief in Canada. Will anyone tell me that people on relief are not starving? They are not starving outright so that they drop on their feet, but over a period of time they die of malnutrition. Everyone knows that.

Mr. MITCHELL: That is not fair. Point to one case where a person died of malnutrition during the depression.

Mr. MacINNIS: That question is not worthy of an answer. Does my hon. friend maintain that the allowance received by those on relief between 1930 and 1939 was sufficient to provide them with an adequate diet that would build up health?

Mr. MITCHELL: That is not what my hon. friend said. Let us be fair.

Mr. MacINNIS: Will my hon. friend sit down?

Mr. MITCHELL: My hon. friend said that people in this country died of malnutrition.

Mr. MacINNIS: I still say that.

Mr. MITCHELL: Name a person who died of malnutrition.

Mr. MacINNIS: They were starving.

The ACTING CHAIRMAN (Mr. Roebuck): Order. Please understand that this is a debate in the House of Commons, and hon. members should address the Chair. The hon. member for Vancouver East has the floor, and if he does not wish to allow a question he does not need to.

Mr. MacINNIS: I have no objection to a question, Mr. Chairman, but I do not want to be interrupted by what is merely an expression of opinion which is no better than my opinion. I made a statement of fact, and anyone who disagrees with it takes the position that the relief allowance of the people of Canada during that period was sufficient to provide an adequate diet.

Mr. MITCHELL: I did not say that.

[Mr. MacInnis.]

Mr. MacINNIS: Well, then, the hon. member said that they were not dying of malnutrition. Read what the doctors are saying about the recruits examined for military service. I think the leader of the opposition stated that because of the poor conditions in New Brunswick during that period a large number of men were being rejected to-day for military service. Everyone knows that is true.

Mr. DOUGLAS (Weyburn): To-day's Montreal *Gazette* says that an epidemic of malnutrition exists in Montreal.

Mr. MacINNIS: Yes.

Mr. GRANT: Everybody is not starving that looks that way.

Mr. MacINNIS: What I was going on to say was that we could have used controls in that period just as well as now. The Minister of Finance says that he is amazed at how the people of Canada are cooperating, but the government would never allow the people of Canada to cooperate with the government at the time I mentioned. I remember listening to the Minister of Finance addressing a gathering in the depression days and his slogan was: "Retrenchment before reform." I am satisfied that when this war is over he will no more think of a return to that policy than he would to-day accept the policy of no controls advocated in 1941.

My objection to the wartime prices and trade board is that its administration is put in the hands of big business, as is every other phase of Canada's war effort, and that in my opinion it is being used to crush the small merchant. The people who have control of the board have not the slightest sympathy with the small business man. On this subject I would like to read an item from *Saturday Night,* a good Canadian paper, comparable anyway with the *Saturday Evening Post.* In its issue of April 4, 1942, after referring to how the economy of Canada was being drastically made over by Mr. Donald Gordon, it said this:

> We are merely noting a tendency in our current political life and wondering where it will land us before it stops. Mr. Gordon, no doubt with the approval of the government, has adopted the principle—

Note this.

> —of letting industry regiment itself through the agency of top men in the various particular industries, each functioning for his own industry; and he expresses himself as being very well pleased with the results. He is no doubt animated in this decision by the desire to interfere as little as possible with the existing set-up in the industries, and so far he is probably right in thinking that the method has

worked well. But it is putting too much faith in human nature to believe that it will work perfectly in every instance; and if it leads to serious trouble in certain industries and in certain aspects the government will not be able to transfer any of its responsibility to the elected representatives of the people. It will have to shoulder the whole blame itself. And there may be a lot.

In that regard I think the editor of *Saturday Night* is right. The statement has been made in this chamber on numerous occasions, and was made by the Prime Minister in his radio broadcasts, that this was the greatest experiment ever attempted with the will and consent of the people. But the people had nothing at all to say about instituting these controls. The first they heard about them was when they were imposed on the people by order in council which they heard through their radios. The editor of *Saturday Night* continues:

It must be remembered that the men in charge of Canadian industry, from whom these self-regimenters are picked, do not include any representatives of, and do not owe any responsibility to, the workers employed in those industries. They do not include any representatives of, and do not owe any responsibility to, the consuming public, but this is less serious, because the government itself may be assumed to hold at least a watching brief for that public.

He goes on to mention what parliament has to do with it:

As for the Conservative party, with its more than 40 per cent of the electorate, the C.C.F. party and the New Democracy they have as little responsibility in these matters as the pages in the House of Commons or the animals in the Toronto zoo.

That would be bad enough; but when the whole of this control, the whole of this regimentation, is placed in the hands of the top business men of this country, without any representatives of organized labour, or of the smaller business men, it can have only one end, the complete domination of the people of Canada by big business.

An hon. MEMBER: That is politics.

Mr. MacINNIS: Who said "politics"? If it is politics, let it be politics. If it is politics to speak for the common people of Canada, for the working people of Canada, I am proud of being accused of playing politics.

The leader of the opposition referred to the orders made with regard to instalment buying. Earlier in the session I put some questions on the order paper on this subject. They were these:

1. On what grounds was the minimum down payment on the purchase of furniture and household goods reduced from 33⅓ per cent to 10 per cent?

2. Was the retail trade throughout Canada consulted before the change was made?

3. If so, is there statistical information available to show, (a) the number of retailers favouring the minimum cash down payment of 33⅓ per cent; (b) the number of retailers favouring the minimum cash down payment of 10 per cent; (c) the number of retailers favouring the minimum cash down payment of more than 10 per cent but less than 33⅓ per cent?

4. Why was the interest on deferred payments raised from 6 per cent to 9 per cent?

The answers were these, and they are most peculiar:

1. The minimum down payment on the purchase of furniture, bed-springs and mattresses was reduced from 33⅓ per cent to 10 per cent but no change was made in the requirement that the balance of the purchase price must be paid in full in twelve monthly instalments. The reduction in the down payment with consequent increase in monthly instalment payments was made because the former requirement had resulted in a substantial reduction in total sales.

It is my opinion that the purpose of raising the down payment to 33⅓ per cent was to bring about a reduction in sales. Continuing the answer to question 1:

It seemed to be operating to prevent people of small incomes from furnishing their households and with particular severity in respect of newly established homes. The cost of furnishing a home represents a heavy capital expenditure which many people are unable to finance on the basis of a down payment of one-third of the total sum. In addition, the reduction in total sales reduced the operating margins of retailers and manufacturers and coincided with an increase in costs amounting to as much as 12 per cent which was being shared equally by retailers and manufacturers. The decision to reduce the down payment was made with a view to these circumstances and for an experimental period pending further investigation and reconsideration in the light of its results.

We come to the next answer:

2. Individual retailers throughout Canada were not circularized or otherwise consulted before the change was made. The decision was made by the board after discussion with board officials administering these matters and representatives of retailers and manufacturers.

I have here excerpts from *Furniture and Furnishings*, February, 1942, issued in Toronto. The magazine states:

Prior to the announcement of the original order restricting credit last Thanksgiving, the Ontario Retail Furniture Dealers' Association polled its members to secure their opinion on down payments. The answers were as follows: a total of 87½ per cent voted for down payments of 20 per cent or more; 72 per cent went further and proposed 25 per cent payments and 24½ per cent favoured payments of at least one-third down. Only 10 per cent favoured down payments of 10 per cent.

I imagine that was the 10 per cent who were consulted, along with those administering the board.

The "Retailer", a trade paper published in Vancouver, in its issue of February, 1942, goes on record to the same effect:

A questionnaire was sent out to the retail furniture dealers throughout the province, and the returns reveal that retailers are not in sympathy with such a move,—

That is, a reduction from 33⅓ to 10 per cent.

—and strongly object to the amendment having been made without the retail trade having been given any opportunity of expressing its opinion. Many retailers say that such a move is not consistent with the regulations that were drawn for the purpose of discouraging spending.

At a joint meeting held in the Georgia Hotel, Vancouver, of various classifications selling commodities on the deferred payment, it was unanimously agreed to request the wartime prices and trade board to make the minimum down payment on furniture and other articles in class 2, subect to a minimum down payment of 25 per cent.

We come now to the the answer to question No. 4:

Why was the interest on deferred payments raised from 6 per cent to 9 per cent?

The answer was:

The interest on deferred payments was not increased from 6 per cent to 9 per cent. A minimum rate of three-quarters of 1 per cent per month or 9 per cent per annum was fixed by the board as a reasonable estimate of the cost of doing instalment business.

They tell me in the first sentence that the rate was not increased from 6 per cent to 9 per cent, and in the second sentence they tell me that the "minimum rate of three-quarters of 1 per cent per month or 9 per cent per annum was fixed by the board as a reasonable estimate of the cost of doing instalment business, and primarily to ensure to the consumer a definite and reasonable spread between cash prices and time prices with a view to encouraging cash sales." They first increased minimum instalment buying to reduce sales, and when the thing they set out to do was accomplished, they reduced it in order to increase sales. Then they increased the interest rate in order to encourage cash payments. Can anyone justify or explain that sort of manipulation; far-reaching changes made, not only without consultation with the retailers, but against the wish of 75 per cent or more of the retailers; perhaps against the wish of 90 per cent of the retailers?

I have a letter from a merchant in Vancouver who sells on the instalment plan. Referring to this change, raising the minimum to 33⅓ per cent, he says it had certain objectives:

1. It, to a large extent, curtailed indiscriminate buying, which was the government's prime objective.

2. It permitted smaller traders to compete with large transcontinental companies who had previously sold on terms that the smaller trader could not possibly meet on account of his limited capital.

3. It taught the public that in making a purchase a reasonable sum of money was necessary and only a limited space of time would be allowed for completing payment.

The writer then gives an example of the way in which the system worked after the reduction to 10 per cent:

By taking a concrete example of a very composite furniture sale of $300 under the original government terms, the buyer was obligated to pay $100 down, leaving a balance of $200 which had to be paid within twelve months, with an addition of 6 per cent, or $12 for interest. Now, for the same sale, the down payment is $30, leaving a balance of $270 to be paid in one year, with an addition of 9 per cent, or $24.30. The result is that the purchaser pays more than twice the interest to obtain ownership and loses his buying power for merchandise and other necessities in the same period, and the financier of the transaction receives $12.30 more in revenue.

Let me tell the minister that such things are creating lack of confidence in the minds of the people. I think it was Ernest Bevin who said: "Let doubt enter into the minds of my workers, and, my God, we have lost the war." Let doubt enter into the minds of the people, that they are being fleeced for the benefit of a few large industrialists or chain stores or department stores in this country, and we are preparing for trouble.

I was told—I do not know whether it is true or not—that another reason, that is, for lowering the minimum payment from 33⅓ to 10 per cent, besides the one I have already stated—that is, putting the big transcontinental stores in a better position—is this. The curtailment of the sale of automobile and other metal appliances, due to war needs, had drastically reduced their sale. The sales of such commodities being reduced, the finance corporations that used to finance these purchases, corporations which had existed by lending money, found themselves in the position where they had considerable money on hand and no one to whom to lend it because people were no longer buying in that way.

An hon. MEMBER: Victory bonds.

Mr. MacINNIS: You cannot get 9 per cent on victory bonds, so that in order to enable these people to find a place where they could profitably lend their money, the sale of goods was encouraged by the reduction of the instalment payment from 33⅓ to 10 per cent.

I have enough material, from people who feel that they are being gypped in this way, people who feel that this government have sold them out to big business, that I could keep the committee going for days. I am not

going to do that. I thought I would bring this one glaring example to the attention of the committee and of the minister because I think something should be done to give the consumers, the common ordinary people of the country, representation on these boards.

I had a letter from Vancouver a few days ago complaining that in an outlying business part of the city, a large wholesale hardware firm was building a new retail hardware store. I wrote to the chairman of the wartime prices and trade board for an explanation of this, and as to the policy of the board, and he told me that the board had as yet no policy in the matter.

A person cannot get material to build a house without the greatest difficulty. But evidently another person can build a store where no store is needed and can stock it. Mr. Gordon also told me they were sending their representative out there, E. J. Burton, I think, of the Robert Simpson Company Limited, who would look into the matter and report. I am not so sure that any investigation Mr. Burton may make will be accepted with much confidence by the people concerned. I was in Montreal in November, and I saw people working in a big department store putting in a $400,000 escalator system when the material used was needed for war work. An escalator at this time is about as needful as a fifth wheel on an automobile. But these people have been making so much money since the war began that they have to cover it up somewhere. That is something for the wartime prices and trade board to look into, if they are going to get the confidence and build the morale of the people of this country.

Mr. ILSLEY: With regard to the controller of construction, that is not within the jurisdiction of the wartime prices and trade board. There is a controller of construction. He is in another department. I am not responsible. I presume, if I were, there would be some explanation for the incident the hon. member mentions. I am disposed to agree that there should not be large expenditures of that kind at a time like this if they can be avoided.

With regard to the other main points the hon. member made, first the complaint that the 33⅓ per cent requirement had been relaxed in the case of furniture and reduced to 10 per cent, the hon. member has picked out the only instance in the whole range of commodities where there has been any relaxation.

Mr. MacINNIS: If that is the only one, certainly I could not take any other, could I?

Mr. ILSLEY: No; I do not blame the hon. gentleman; but I want to make that clear, otherwise the committee might think that was just representative of many relaxations, especially as my hon. friend in the latter part of his speech seemed to be building up a serious superstructure on that foundation that the war was already lost, or something of that kind.

Mr. MacINNIS: I do not think the minister has any reason to say that.

Mr. MacNICOL: That escalator would be installed for the saving of fuel in any event and would be a proper investment for that purpose.

Mr. MacINNIS: We should not be thinking of profitable investments at this time.

Mr. MacNICOL: More money for the government.

Mr. ILSLEY: I do not think we should be going on that basis at this time.

With regard to what the hon. member for Vancouver East said about furniture, as I say he has taken the one instance in the whole range of commodities where the requirement of a down payment of one-third was relaxed. The reason for that—it may have been a mistake—was that the board was most anxious to see that the price of furniture was held at the level at which it was during the base period, and also to avoid paying subsidies. Costs had increased approximately 12 per cent. The board asked the retail trade to assume 6 per cent of that and the manufacturers to assume 6 per cent. The answer of one or both was that under normal conditions and volume they would be able to take the squeeze, but a reduction in the volume would increase their overhead and increase rather than decrease the necessity for margins. Whether rightly or wrongly, the board then said to them that for a temporary period the requirement would be reduced to 10 per cent and they take the squeeze of 12 per cent and divide it. I do not think there was anything sinister about that; I know there was not. It was not done in regard to any other commodity. There may be arguments against doing it, but that is the reason why it was done in that instance.

With regard to the other point, what the hon. gentleman referred to as the raising of the interest rate from one-half to three-quarters of one per cent a month, there was no such raise. The original order provided that the cash price should be lower than the time price by a reasonable amount. I am informed that the usual amount for carrying charges and interest on these instalment purchases is about one per cent a month. In this case the board fixed three-quarters of one per cent a

month as a reasonable amount to cover carrying charges and interest. What there is wrong with that I do not yet know.

Mr. MacINNIS: If the minister will allow me, the answer is that the rate in the first place was set at 6 per cent a year. When the down payment was reduced from one-third to 10 per cent the interest rate was raised. There is no doubt about that; it is in the answer to the question that I received. I imagine that answer was formulated by the wartime prices and trade board.

Mr. ILSLEY: Would the hon. gentleman read it again? I must say I understood it as he says it, but I am told that is not what it says, nor is that what happened.

Mr. MacINNIS: I cannot find it at the moment.

Mr. ILSLEY: We can come back to that.

Mr. McNEVIN: I rise to supplement my remarks of yesterday in connection with an item in that portion of the war appropriation bill relating to the Minister of Agriculture under the heading of the dairy boards when I raised the question of the necessity of providing for some increase in the price of butter. I gave two reasons: first, to bring the butter producer to a more equitable position in relation to the other three branches of the dairy industry, namely, fluid milk, cheese, and milk for manufacturing purposes; second, to avert an extreme shortage of butter next winter.

To-night I want to preface my remarks by stating that I believe the general price level of agricultural products is on a satisfactory basis. I do not think much complaint could be offered with respect to the present set-up for beef, cheese, fluid milk, manufactured milk, bacon and so forth. Butter is an exception. I want to commend the wartime prices and trade board for the recent regulations, which were designed to correct a difficult situation as regards beef. I raise this question in order that provision may be made before the butter situation becomes difficult. The arrangement with regard to beef has revealed the flexibility in the set-up as far as the price ceiling is concerned. It has been suggested in some quarters that there is a possibility of the cheese quota being filled late this summer and that, therefore, large quantities of milk could be released for butter production. I cannot visualize that situation becoming a reality.

In the first five months of this year we produced about 26,000,000 pounds of cheese, and I would estimate that in December we produced about 10,000,000 pounds, so that thus far we have about 36,000,000 pounds toward a quota of 125,000,000 pounds for overseas and perhaps forty or fifty million pounds for Canadian consumption. It would appear to me that it will take the rest of the season to fill that cheese quota, and I think I am correct in stating that the British food import board have agreed to take even more than the 125,000,000 pounds contracted for.

The next three months are those in which large quantities of butter go into storage. The figures for last year show that in May 9,000,000 pounds were in storage; in June, which is the heaviest month of production, that figure rose to 17,000,000 pounds. In July it almost held its own, at 15,000,000 pounds, but in August it dropped to 11,000,000 pounds and in September to 6,000,000 pounds, after which it became necessary to run on an even keel before beginning to use up the butter held in storage to supply the need during the short season. Recently, as was pointed out yesterday by the Minister of Agriculture, there has been a slight decrease in the price of butter. That is to be expected; it is a seasonal decline almost impossible to avoid during June, when production is at the very highest point of the year. But I would point out that had it not been for the price ceiling, butter would have gone substantially above the thirty-five cent limit. Therefore a seasonal decline would not have brought it down to the present level. The government is giving substantial aid to the cheese industry. I am not saying that is wrong; I think it is necessary to encourage the cheese industry in order that we may obtain the very large quantity of cheese required. But I maintain that there is discrimination as far as the butter producer is concerned; and if we are to avoid an extreme shortage next winter, I think action should be taken now to encourage the butter producer to increase his output.

I do not want to labour this point at any great length. I want to renew my request that provision be made to increase the price of butter by about five cents a pound, in order to put the butter producer on a more equitable basis in comparison with other branches of the dairy industry, as I said yesterday. The producers of butter represent about half of the dairy farmers in Canada, and I think that is too large a section of the agricultural industry to leave in a position where they are not receiving returns on a comparable basis with the other branches of that industry. All I ask is equality of treatment and a fair deal for the butter producers of Canada, and I believe the circumstances warrant most serious consideration of this very important matter by the wartime prices and trade board.

Mr. BLACKMORE: I am sorry I was unable to get the floor immediately after the leader of the opposition and the Minister of Finance had made some remarks with regard to what I had advocated. I will grant that a new system may be difficult for orthodox minds to comprehend, but that is no evidence, by any means, that the new system is wrong. It was very difficult for men to understand the radio, but the radio was right. It was next to impossible for Edison to understand alternating current, but alternating current was right. This new system is right, too; there is no doubt about that.

I am sorry the leader of the opposition has left the chamber. I suppose he is weary, but I should have liked to ask him whether or not during the last war $26,000,000 of money was printed by the dominion treasury and used as part of the revenues of Canada. He would have to acknowledge that this was done. He sneered about fiat money. That was fiat money, but that money could have been used to give a fair price for wheat; that money could have been used for any kind of war work that was necessary in Canada during the first world war. The leader of the opposition, and the minister as well, would do well to look at the report of the royal commission on banking and currency in Canada, published in 1933. Let them turn to page 22 and read paragraph 47, and then stop making fun of the people who know this thing can be done.

The minister said he favoured taxation and borrowing. I should like to tell the minister that I never, under any circumstances, said that taxation and borrowing were not sound. I do not oppose taxation and borrowing, as the minister will find if he turns up my speech and every other speech I have made. I have never suggested we should not follow those methods, in moderation. The minister said he needed a third measure in addition to borrowing and taxation. When the war started he thought he could run the war successfully with just taxation and borrowing. He discovered he was wrong, that he had to have a third measure, namely price control, and in addition to price control he has used price subsidies. That is completely sound. Now I want to tell the minister and the members of this committee that as sure as he is in this house, he will have to adopt a fourth measure, if he is to succeed; and that fourth measure is going to be the power of the state to create money based on the real credit of the country. There is a great deal of nonsensical talk about state money, even though the most enlightened men are advocating it. When a person advocates this creation of money, one would think he was advocating nonsense. I know the minister is a busy man, but I would mention a book that he really should get and read; it would do him good. The book is "Economic Tribulation"—

Mr. ILSLEY: I have all I need of that.

Mr. BLACKMORE: —by Vincent C. Vickers. I am going to read three or four short quotations from this book, and I am going to ask the friends of the leader of the opposition to tell him to read the book and then "laugh that off". First I turn to page 74, and read No. 1:

1. State control and state issue of currency and credit through a central organization managed and controlled by the state.

The minister may say he has that now in the Bank of Canada. If he has, let him use it. I shall have something more to say about that later on, but I doubt very much that in the Bank of Canada he has such an instrument as is envisaged by Vincent Vickers in this statement. Now I come to No. 2, and this is the point to which I was referring:

2. Stabilization of the wholesale price level of commodities. That is to say, a fixed and constant internal purchasing power of money; so that a pound will buy to-morrow what it bought yesterday; an honest pound, not a fluctuating pound.

Note these words:

And this can be done by so issuing and regulating the volume of available credit and currency that it shall at all times be adequate to permit of the purchasing power of the consumer being equated with the volume of production; not by limiting the purchasing power—

That is what taxation does, or borrowing.

—but by firstly increasing purchasing power more in proportion to the productive capacity of industry.

I do not hope that the leader of the opposition will understand that. Bless his heart; he has become too old to learn new tricks. Now may I read No. 4:

4. Any additional supply of money should be issued as a clear asset to the state; so that the money will be spent into existence, and not lent into existence.

And now, No. 7:

The abolition of the debt system, where all credit is created by the banks and hired out at interest to the country.

Those four points alone line this man up, with all his experience, prestige and reputation, right along with the Social Crediters.

An hon. MEMBER: Who is he?

Mr. BLACKMORE: Mr. Vincent Cartwright Vickers, of Vickers-Armstrong, the great

munitions manufacturers, and director for years of the Bank of England. He is one of the best authorities in the world.

Mr. MacINNIS: Because he was a director of the Bank of England?

Mr. BLACKMORE: I am not saying the fact that he was a director of the Bank of England makes him an authority, but a man who is a director of the Bank of England is likely to know as much as you do, and just about as much as the minister does, or the leader of the opposition.

Mr. MacINNIS: Evidently he did not know it; otherwise he would not be a director of the Bank of England—because that was not the policy of the Bank of England.

Mr. BLACKMORE: He withdrew from his directorship in the Bank of England when he became convinced that there had to be a change in the system. And I declare before this committee that there must be a change in the system in this country—and a change which is a change!

The minister spoke as though I advocated creating the whole billion dollars. I did no such thing. If social credit is so palpably wrong, it is not necessary to misrepresent it in order to condemn it. The minister will find, if he reads my speech on that occasion, that I never said the whole billion dollars had been created.

Mr. ILSLEY: This was what the hon. member said in his speech:

> Social credit proposes to use the national credit to provide money without additional debt, without additional taxation.

There would be no more borrowing and no more taxation, would there?

Mr. BLACKMORE: But the minister at that time was freely borrowing and freely taxing.

Mr. McLARTY: That is not an answer.

Mr. BLACKMORE: He has increased the revenue of this country tremendously since the war broke out. He has come before us each budget speech and pointed out how greatly the revenues have increased. Those revenues have increased largely because of the increased income of the dominion; the increased income has developed as the result of increased production of the dominion; increased production in the dominion has come as the result of increased investments in the dominion; in many instances those investments have come from loans, and in many instances they have been loans from the dominion government. The loans have resulted in greater production, the greater production has resulted in greater income; and the greater income has resulted in greater revenue, without unnecessarily raising the rate of taxation.

Mr. CRERAR: Will the hon. member permit a question? If he would neither tax the people nor borrow from them—

Mr. BLACKMORE: I did not say I would not tax. I said, "without additional borrowing".*

Mr. CRERAR: But, Mr. Chairman, the extract from the hon. member's speech, quoted by the Minister of Finance, if I understood it correctly definitely opposed taxation and opposed borrowing. If taxation and borrowing are ruled out, how will my hon. friend finance the war?

Mr. BLACKMORE: I was just explaining, if the minister had listened. Perhaps he was listening attentively, but I know this is new to him. I pointed out that since this war broke out, the national income of Canada has increased tremendously, and that the income has increased because of the increased production in Canada.

An hon. MEMBER: The production of what?

Mr. BLACKMORE: A wide variety of things. Mr. Chairman, I am going to finish these few remarks to-night, and I shall reopen the question to-morrow, when hon. members may ask me any questions they wish in the matter. There is not time to-night. This social credit is no fly-by-night idea; this is a sound and scientific system.

The minister spoke as though I had intended to issue the whole billion from the government. That is not so. If the minister had borrowed a certain amount, taxed what was reasonable, and then in addition to that had created what could be created, and used without causing inflation, then his economy in Canada would have been in a far sounder condition than it is to-day, and people would have been far happier.

Here is what he could have done. He could have used new money, like the $26,000,000 created in the last war, to subsidize the prices of primary products. That is, he could have given higher prices for wheat; he could have given higher prices for wool; he could have given higher prices for meat, and for any and every primary product.

The leader of the opposition's sneer as to fiat money would not have applied. You could have bought wool, or meat, or anything else, with the $26,000,000 created in the last war—fiat money, pure and simple. And it was just as good money as any money in the Dominion

(*See also page 3105.)

of Canada. That kind of money could have been used up to the point at which there would be danger of inflation through scarcity of goods. That could have been used to pay fair and just prices on all primary products. The difference that would have made to the agricultural population throughout this dominion is next to inconceivable, had it been applied for two or three years in this war. You would have had a contented and happy people who were getting out of debt, whereas to-day in Saskatchewan the doleful story is that they have gone into debt $50,000,000 deeper since the war broke out.

The ACTING CHAIRMAN (Mr. Roebuck): May I point out that it is now eleven o'clock?

Progress reported.

BUSINESS OF THE HOUSE

Mr. McNIVEN: May I ask the Minister of Mines and Resources if it is the intention of the government to sit to-morrow night and, if not, why not? There are some of us who come from distant points, who are getting pretty tired of staying around here with comparatively little to do. The other day the Minister of Finance stated that there was something wrong with the House of Commons. The other afternoon he further stated that it was high time we were having some regard for the time. I suggest to the minister he might well consider sitting on Friday nights—

An hon. MEMBER: Saturday mornings.

Mr. McNIVEN: Yes, Saturday mornings, and Wednesday nights; yes, and even Sundays. I say that for this reason: The House of Commons is sitting only twenty-four hours a week. We are asking labour in this country, in munitions, shipyards and aeroplane factories, to work seven days a week. Some of those men are working as long as sixty hours a week, and some, sixty-five hours. No attempt has been made to go into supply; the estimates have not been considered as yet. There is no reason in the world why some of the ministers should not be able to sit on Wednesday and Friday evenings, Saturday morning and possibly Saturday afternoons as well. Let us try to make some progress. We would be advancing the war effort by expediting the business of the house and bringing the session to a close, permitting the government to get on with its war work and the members to go back to their homes.

Mr. ROSS (Souris): It is all a matter of government procedure.

Mr. CRERAR: The house has been adjourning on Friday evening at six o'clock by common agreement this session, and I do not think that arrangement should be disturbed without the leader of the opposition, the Prime Minister and the leader of the Co-operative Commonwealth Federation party being present. There is a good deal of merit in the suggestion of my hon. friend the member for Regina City, and I would suggest that if he still feels the same way about it he might bring the matter up in the early part of next week so that we might consider sitting on Friday nights. At any rate it would allow the feeling of the house to be ascertained.

Mr. McNIVEN (Regina City): Can it be brought up to-morrow on the orders of the day?

Mr. CRERAR: My hon. friend might bring it up to-morrow on the orders of the day.

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

Friday, June 5, 1942

The house met at three o'clock.

HONG KONG COMMISSION

TABLING OF REPORT TRANSMITTED BY RIGHT. HON. SIR LYMAN POORE DUFF—MOTION FOR PRINTING

On the order for motions:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I received yesterday afternoon from the Chief Justice, Sir Lyman Duff, who had been appointed the commissioner to inquire into the Hong Kong expeditionary force, a copy of the commissioner's report. I now desire to lay on the table of the house a copy of the letter from the commissioner transmitting his report which was made pursuant to order in council P.C. 1160 relating to the Hong Kong expedition, also a certified copy of a minute of the meeting of the committee of the privy council approved by His Excellency the Governor General, to-day, which minute records the submission of the report to his excellency for his excellency's information. I also wish to table a copy of the report itself.

The report is divided into two parts. There is the report proper, stating the principal conclusions and some ancillary matters, and an appendix in which the facts are fully stated and the evidence is fully discussed. The report and appendix combined cover in typewritten form some 115 pages of foolscap: the report proper is contained in twelve pages. Having regard to the importance and interest attaching to the report and the frequently expressed desire of hon. members to have its contents made known just as

soon as possible, it would, I believe, be meeting the wish of the house if I were to give hon. members at once the principal conclusions of the commissioner. They are contained in the report proper, which is as follows:

Your Excellency:

The order of Your Excellency, P.C. 1160, authorizing this inquiry is attached to this report. By it, I am directed to inquire into the organization, authorization and despatch of the Canadian expeditionary force to Hong Kong in October, 1941. I am instructed particularly to examine the selection and composition of that force, the training of its personnel, the provision and maintenance of its supplies, equipment and ammunition and the provision of transportation therefor. The order in council states that the purpose of the investigation is to determine whether there occurred any dereliction of duty or error in judgment by those whose duty it was to arrange for the authorization, organization and dispatch of the force that resulted in detriment or injury to the expedition or its members. My duty is to determine whether there occurred any dereliction of duty or error in judgment "on the part of any of the personnel or of any of the departments of the government whose duty it was to arrange for the authorization and dispatch of the expeditionary force" and whether, if such dereliction or error occurred, there resulted detriment or injury to the expedition or the troops comprising it. If it is found that such dereliction of duty or error in judgment occurred, it is my duty to fix the responsibility therefor .

In this, my report proper, I am stating my principal conclusions touching these matters, together with some salient facts. A full statement of the facts and a full discussion of the evidence appear in the appendix hereto which is to be considered as part of my report.

First, of the authorization of the expedition. The principal considerations prompting the invitation by the government of the United Kingdom to the government of Canada to send reinforcements to Hong Kong (two battalions of infantry with first reinforcements, and by subsequent communications a modified headquarters staff) are set forth in the telegram containing that invitation, dated the 19th of September, 1941. These considerations were largely those which influenced the Canadian government in accepting the invitation. I have been unable to obtain the consent of the government of the United Kingdom to the textual reproduction of this telegram.

The chief of the general staff having expressed to the government his opinion that there was no military objection to the acceptance of the proposal and that the reinforcements ought to be dispatched, the view of the war committee, as disclosed in the evidence of three ministers of the crown, the Minister of National Defence, the Associate Minister of National Defence, and the Minister of National Defence for Naval Services, was that in the circumstances the only possible answer to the invitation was an affirmative one. The invitation was accordingly accepted and the expedition left Canada on the 27th of October.

The evidence discloses various reasons which appear to have actuated the war committee. In view of what other dominions had done in Abyssinia and Libya it was Canada's turn to help; Canada ought to share in the responsibility for garrisoning the Pacific area; just as Australia was assisting in Malaya; the military value of the reinforcement would be out of all proportion to the numbers involved; the arrival of the contingent in Hong Kong would have a great moral effect in the whole of the far east and would reassure the Chinese as to the British intention to hold Hong Kong; the moral effect of the expedition might operate as a sensible influence for the preservation of peace there; at that juncture, in September, to gain time was beyond measure important; such an appeal from the predominant partner in the common cause could not be rejected.

I am permitted to reproduce a telegram from the War Office, of the 30th of October, after the expedition had left:

> "We are very grateful to you for despatching your contingent to Hong Kong at such short notice. We fully realize the difficulties of mobilization and of distance which have had to be overcome. The moral effect of their arrival in November will be much greater than it would have been two months later."

The terms of this telegram assist us in forming an idea of the hopes and expectations with which the request of September was sent.

It would perhaps be a possible view that the propriety of this decision by the government is exclusively matter for consideration and discussion by parliament. Since, however, I am required to pass upon the question, it is my duty to say that I have no doubt the course taken by the government was the only course open to them in the circumstances.

It was urged by Mr. Drew that the change of government in Japan on the 16th of October, by which a cabinet notoriously sympathetic with the axis powers came into office, ought to have led the Canadian government to reexamine the question of policy raised by the invitation of the United Kingdom. I had the advantage of reading a number of dispatches from the government of the United Kingdom, which I am not at liberty to reproduce, as well as a dispatch from the Canadian military authorities in England, which is reproduced in part, dealing with the probabilities concerning war with Japan, and my conclusion is that, having regard to the information of which the government was in possession, derived from the best sources of information open to them, nothing emerged before the departure of the expeditionary force on the 27th of October which could have been considered to be a justification for the withdrawal by Canada from the responsibility she had undertaken. On the contrary, the reasons which prompted the acceptance of the proposal continued to operate with possibly increasing force up to the sailing of the expedition.

Second, of the selection of the units for the expeditionary force. The responsibility for advising the Minister of National Defence with respect to the composition of the expeditionary force devolved upon General Crerar, the chief of the general staff. In a communication to the minister, in which his reasons for his recommendation are stated at large, he recommended that the Royal Rifles of Canada from Quebec and the Winnipeg Grenadiers from Manitoba should be designated. In this communication he said that a primary consideration in making the selection was "that the units selected should

be efficient, well-trained battalions, capable of upholding the credit of the dominion in any circumstances". He adds, "both" battalions designed "are units of proven efficiency".

So long as the minister's confidence in the chief of the general staff remained unimpaired, the minister would not overrule such a recommendation upon a purely military matter; and he cannot be justly criticized for acting upon it.

It is my duty, however, to consider whether there was any error of judgment in General Crerar's recommendation. Nobody, of course, was in as good a position as General Crerar for arriving at a sound judgment upon the selection of the units. His decision, moreover, was not a mere expression of opinion; it was the basis of his recommendation, made upon his responsibility as the professional adviser of the minister, upon which he expected the minister to act and knew almost at once that he was acting. The evidence, which is discussed in the appendix, satisfies me that General Crerar's recommendation was made upon sound grounds and that he is not chargeable with any error in judgment, still less with any dereliction of duty in relation to it.

The principal criticism directed against this selection concerns certain platoon weapons which are included in the establishment of a Canadian infantry battalion, but which, before October, 1941, were not available generally for training purposes to the Canadian active army. General Crerar says:—

> "There were, however, in Canada at the time in question a number of battalions (among which were Royal Rifles and Winnipeg Grenadiers) which, although somewhat handicapped by lack of supplies of certain platoon weapons (mortars and anti-tank rifles), in my opinion were generally adequately trained to undertake defensive responsibilities such as those in prospect in Hong Kong."

He adds:

> "The short supply of mortars and anti-tank rifles was general in all units of the Canadian Army and not peculiar to the Royal Rifles and the Winnipeg Grenadiers."

This, he adds, is the natural and inevitable handicap of a country which is unprepared for war and has war brought upon it.

If this handicap, as General Crerar describes it, from the "short supply of mortars and anti-tank rifles", was to be a reason for exclusion from the expeditionary force in the case of the two battalions in question, then that reason was based upon a condition that, to repeat General Crerar's words, "was general in all units of the Canadian Army and not peculiar to the Royal Rifles and the Winnipeg Grenadiers" and must have applied equally to all such units; with the logical result of excluding all.

This ground of exclusion indeed, if a proper one, was (as is fully explained in the appendix) applicable with still greater force to Canadian battalions generally than to the two battalions in question. In point of fact, these battalions were in a more advantageous position in respect of these weapons than the units of the army generally. The Royal Rifles had the three-inch mortar for training purposes at least as early as April, 1941. Although they had no ammunition, the mortar platoon was trained in its mechanism and use, tactically as well as otherwise. The mortar platoon of the Winnipeg Grenadiers was also trained in the mechanism and use of the same weapon; and further enjoyed the advantage of having, even before leaving for the West Indies, a number of anti-tank rifles (without ammunition) for training.

There were, moreover, solid reasons for believing that any deficiencies in training in such platoon weapons (with which General Crerar declares he was fully acquainted) could be made good before any encounter with the enemy. The evidence lends support to the expressed conviction of General Crerar and General Stuart (the present chief of the general staff) that this was done.

General Crerar adds:

> "With information at my disposal concerning units of Force C and knowing professional ability and character of Commanding Officer Brigadier Lawson, I would say that Force C was certainly fit to meet an attacking force, even in superior numbers, and to give a fine account of itself by December 8th."

General Crerar says:

> "Information at my disposal during latter part of September, 1941, indicated that outbreak of hostilities with Japan was not imminent and that time would, in all probability, be available to carry out intensive, adequate and possible extensive training of Canadian forces at Hong Kong after their arrival."

General Stuart agrees with this.

The evidence relating to the training, equipment and personnel of the two battalions is fully examined in the appendix. For reasons which there appear, I am satisfied that in respect of weapon training, as in respect of other matters, this selection cannot be justly impeached as affected by any error in judgment.

Third, of the steps taken to bring the units up to strength, including first reinforcements. The selection of the units made, it became necessary to provide "first reinforcements" for both battalions and to bring the Winnipeg Grenadiers up to strength. Both battallions were warned for service on October 9th and the ship which had been provided by the British government to take the expedition to Hong Kong was to sail before the end of the month. In an interval of not more than two weeks it was necessary to obtain the required additions, as well as to attend to the multifarious tasks involved in equipping the expedition. It must be remembered that all these preparations had to go forward, not only with urgency, but also with extreme secrecy. It was decided to obtain the men needed for the Royal Rifles in military district No. 2, with headquarters in Toronto, and those for the Winnipeg Grenadiers in military district No. 10, with headquarters in Winnipeg.

All men who were added to the two battalions prior to the departure for Hong Kong volunteered for service overseas with the battalion to which they went. They were, in the case of each battalion, accepted as satisfactory by the officer commanding, or by officers designated by him. The steps taken by the battalion and district officers were taken under the direction of and were approved by National Defence headquarters at Ottawa and, in particular, of and by Colonel P. Henessy, the director of organization in the adjutant-general's department, upon whom devolved the immediate

direction and responsibility for the task of bringing the units up to strength and providing first reinforcements, and who became the senior administrative officer of the expeditionary force.

There were added to the Royal Rifles 154 men from military district No. 2, of whom 52 came from the Midland regiment and 102 from advanced training centres at Camp Borden. There were added to the Winnipeg Grenadiers, 282 men and 12 officers from military district No. 10. In the appendix I have examined in detail the training and qualifications of each group of the men added.

A period of sixteen weeks has been laid down as the standard period to be devoted to the training of an infantry recruit before sending his overseas. In individual cases and by reason of the exigencies of shipping, this standard has on occasion not been enforced. Of the men added to the strength of the Hong Kong expedition, all but six per cent had undergone more than sixteen weeks' military training after enlistment in the active army. As I have already said, all these men volunteered for service with the expedition and all were accepted as suitable by officers of the battalion to which they were going.

A number of officers gave evidence of the great value of the personal selection of men for a unit by competent officers of that unit. For example, Lieutenant-General McNaughton said (and with him General Crerar and General Stuart agreed):

> "If I were the commanding officer and had had the chance to select the men and know them individually—see that they were all right—I would not have worried very much whether they had completed the basic training or not, because character is the thing we lay most stress on, and, if they were people who were suitable in my judgment to incorporate in the battalion, I would have been perfectly happy to have had them. . . . I would not have worried from the point of view of military efficiency one iota, because, if they are the right type of men, even on the voyage over I would have completed their individual training."

I accept this evidence of Generals McNaughton, Crerar and Stuart and of other officers to the like effect as of great weight in deciding upon the propriety of the steps taken to bring the force up to strength and to provide it with first reinforcements.

A considerable amount of evidence was directed to show the effect of adding to two well-trained battalions groups of lesser trained men numbering about 6 per cent of the strength of the two units. That evidence conclusively establishes that an efficient battalion is, and must be, capable of absorbing recruits, who have not fully completed their training, up to a much greater proportion of its strength than 6 per cent, without at all detracting from the efficiency of the battalion as a whole.

From the whole of the evidence (which is fully discussed in the appendix) I have reached the conclusion that there was no unfairness either to the battalions, or to the expedition as a whole, from the addition of this small percentage of men who had not fully completed the standard period of training at the time they were accepted by the battalion officers. Nor have I any doubt that these men who volunteered for the expedition in order to enter upon active service would be quickly absorbed into their new units, or that in accepting them there was not any unfairness to the men themselves; and I am satisfied that the acceptance of these men had no detrimental effect upon the efficiency of either battalion. I have found no dereliction of duty or error in judgment in connection with the additions made to the strength of the two units.

In the course of my examination of the evidence I found that the inclusion of this small percentage of men was not the result of any shortage of fully trained men in Canada. It arose from the necessity of obtaining the men with great speed and secrecy and the impracticability in the time available of selecting them from a larger number of training centres.

Four, of the general organization and dispatch of the force, apart from the subject of mechanical transport. The facts are stated in the appendix and they require no comment here.

Five, of mechanical transport. With regard to the mechanical transport of the force, consisting of 212 vehicles, the troopship, the *Awatea*, provided by the British authorities had not sufficient cargo space to take them. The war office was most anxious that the troops should go on this ship, as another opportunity to sail was not likely to occur for two months. Shortly before the expedition sailed, space for the vehicles unexpectedly became available in an Amercian ship and that ship sailed with the vehicles on November 4, but did not reach its destination before the outbreak of hostilities, as she was diverted by the United States naval authorities. Had she been allowed to follow her normal route, she would have reached Hong Kong before the Japanese forces or before the Japanese attack opened. This miscarriage was not in any way due to any fault or mistake of any officer of the Canadian forces or of any official of the Canadian government.

There was a small amount of free cargo space in the ship carrying the force and some twenty vehicles were sent to Vancouver to fill it. These, however, did not arrive before the ship sailed. Had more energy and initiative been shown by the quartermaster-general's branch, charged with the movement of the equipment for the force, the availability of this space would have been ascertained earlier and the vehicles would have arrived in time for loading on October 24; and there is, in my opinion, no good reason for thinking that, had they arrived at that time, they would not have been taken on board. There is no evidence, however, that the troops suffered through lack of them, or that they were not supplied at Hong Kong. The facts are fully examined in the appendix.

After an exhaustive inquiry at the hearings and a lengthy study of the evidence in the appendix of this report, I am able to add a general conclusion about the Hong Kong expedition as a whole.

In October, 1941, the Canadian military authorities undertook a task of considerable difficulty. Subject only to my observation concerning twenty of the two hundred and twelve vehicles of the mechanical transport, they performed that task well. Canada sent forward, in response to the British request, an expedition that was well-trained and (subject as aforesaid, in so far as shipping facilities allowed) well provided with equipment. In spite of the disaster that overtook it soon after its arrival in Hong Kong, it was an expedition of which Canada can and should be proud.

The war came upon us when we were unprepared for it. In such circumstances, recalling military history, one would perhaps not be greatly surprised to discover that even two years after its commencement some military enterprise had been undertaken which had proved to be ill conceived, or badly managed. The Hong Kong expedition falls under neither description.

All of which is most humbly submitted by
Your Excellency's most humble
obedient servant
L. P. Duff.

His Excellency,
The Governor General in Council,
Ottawa,
4th June, 1942.

With the consent of the house, Mr. Speaker, I would move:

That 1,500 copies in English and 500 copies in French of the report made by Right Hon. Sir Lyman P. Duff, G.C.M.G., a commissioner appointed to inquire into all matters respecting the dispatch of a Canadian expeditionary force to the crown colony of Hong Kong, be printed in blue book form and that standing order 64 be suspended in relation thereto.

Hon. R. B. HANSON (Leader of the Opposition): As this is to be on the record, I hardly see the point in printing it, although I have no great objection. I rise primarily to ask if the evidence will be tabled and made available. I have not had a copy of it, but I do not know that I am entitled to it.

Mr. MACKENZIE KING: There will probably be a demand for copies of the commissioner's report outside of the house as well as by members of parliament. The report and the appendix could be distributed in a more acceptable form if they were put out as a blue book. The report proper, which contains the conclusions I have read, will be printed in *Hansard,* and the report together with the appendix would be printed as a blue book. As to the evidence, I should have to inquire of the chief justice as to whether the evidence would be available to anyone. I assume that if it had been intended that it should be available, it would have been presented with the report. I believe it will not be available.

Mr. HANSON (York-Sunbury): I was surprised that it was not tendered with the report, because that is the usual practice with all royal commissions. I think it should be tabled.

Mr. MACKENZIE KING: Of necessity this particular inquiry conducted by the Chief Justice of Canada was in the nature of a secret inquiry. Any publication of the evidence would certainly disclose many military secrets which should not be disclosed.

Motion agreed to.

AIR TRAINING PLAN

ANNOUNCEMENT OF NEW AGREEMENT FOLLOWING OTTAWA CONFERENCES

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the Ottawa air training conference has now concluded its deliberations. It was in reality two conferences. The first conference embraced fourteen of the united nations and was primarily concerned with the coordination of air training in north America. Immediately following this conference the delegations of the United Kingdom, Australia and New Zealand joined with representatives of the Canadian government in a conference to negotiate a renewal of the British commonwealth air training agreement of 1939.

Although the existing agreement does not expire until March 31, 1943, it had been considered desirable to lose no time in making adequate provision for its extension. A new agreement was concluded this morning by the heads of the four delegations; the United Kingdom government being represented by the Right Hon. Harold Balfour; Canada, by my colleague, the Minister of National Defence for Air; Australia, by the Hon. Sir William Glasgow; New Zealand, by the Hon. Frank Langstone.

I should like now to read to the house the formal announcement of the new agreement which will replace the agreement signed on December 17, 1939. A similar announcement is being made in all four countries participating in the British commonwealth air training plan.

A new agreement for the renewal and expansion of the British commonwealth air training plan was reached this morning in Ottawa. This brings to a successful conclusion the deliberations of delegations from Canada, the United Kingdom, Australia and New Zealand, the four partners in the plan.

The new agreement replaces that which established the original British commonwealth air training plan on December 17, 1939.

Aircrews by the thousands, the product of that plan, now man the planes which in increasing numbers are carrying the war to the enemy. The plan has undergone changes and modifications. To meet changing war conditions its original scope was greatly increased during 1940. Moreover, because of the increased difficulty in training in combat areas, and because more and more aerodrome space has been required for operational squadrons, a considerable part of the Royal Air Force training organization previously functioning in England, has been transferred to this country by agreement with Canada.

The original British commonwealth air training plan agreement was timed to expire on March 31, 1943. The success of the plan, the necessity of adapting it to new developments, and the need for long-term planning, led the four participating governments to undertake the discussions for renewal of the agreement which has just been concluded.

The United Kingdom has been represented by the Right Honourable Harold Balfour, M.P., Parliamentary Under-Secretary of State for Air, and the Right Honourable Malcolm MacDonald, M.P., High Commissioner to Canada; Australia by the Honourable Sir William Glasgow, High Commissioner to Canada; New Zealand by the Honourable Frank Langstone, High Commissioner to Canada; and Canada by the Honourable C. G. Power, M.P., Minister of National Defence for Air and the Honourable J. L. Ralston, M.P., Minister of National Defence.

The new agreement will take effect on July 1, 1942, and will terminate on March 31, 1945. Basically the plan remains the same. The original objective, of training in the speediest and most effective manner, the maximum number of aircrews to meet the demands of war, is still its goal. On a greatly expanded scale the extensive facilities in Canada will continue to be used by all four parties to the agreement. Australia and New Zealand, whose domestic air training has been increased because of the extension of the war to the Pacific area, will endeavour to participate in the expanded plan much the same as before. Canada will continue to supply a substantial proportion of the trainees, whilst the total number of pupils sent under the United Kingdom quota, including men drawn from various parts of the empire and from the European members of the united nations, will be augmented. In sum, many more men will be trained in Canada under the new agreement than were provided for in the original plan, as expanded from time to time.

Under the new agreement, there will be complete coordination of air training in Canada. The existing schools of the Royal Air Force in Canada, already organized, will retain their identity, but will for purposes of administration continue to be integrated with those of the air training plan under the control of the Royal Canadian Air Force. Further Royal Air Force units subsequently established in the dominion, will come under the plan. As a result there will be a single pool of trained personnel ready to be drawn upon as needed.

The new agreement provides moreover that there will be an increase in the number of Royal Canadian Air Force squadrons overseas. In Canada, training on operational types will be on a scale much greater than hitherto. This is a notable development. It will mean that pupils will be trained in Canada, from the very beginning to the point where they will be ready to join Canadian squadrons, in action, against the enemy.

The new agreement provides for a redefinition of inter-governmental policy on many points relating to air training. Within the limitations of security these may be summarized as follows:

Finance: The costs of air training under the new agreement from July 1, 1942, to March 31, 1945, are estimated at almost one and one-half billion dollars. This will include all air training within Canada administered by the Dominion of Canada under the British commonwealth air training plan as expanded, including operational training units and R.A.F. transferred units.

The governments of Australia and New Zealand will each bear the cost of training of their respective pupils received into the plan. The United Kingdom will assume 50 per cent of the estimated cost less payments made by Australia and New Zealand. Canada will assume the remaining 50 per cent of the total as its share.

The United Kingdom's share of the costs will as far as practicable be in the form of a contribution of certain aircraft, engines, spare parts, technical equipment, bombs and ammunition and other supplies as required by the administrator of the plan.

Provisioning of aircraft and equipment. While the liability for providing equipment of the types referred to rests with the United Kingdom, the task of determining the nature of the equipment and the quantities required for agreed establishments will be the responsibility of Canada as administrator of the plan. In the past, this responsibility has, of course, rested largely with the United Kingdom in respect of the Royal Air Force schools and the change is, therefore, an indication of the greater degree of coordination of these schools to which reference has already been made. The willingness of the United Kingdom to entrust the Royal Canadian Air Force with increased responsibility in this important field of provisioning is a tribute to the Royal Canadian Air Force made by those best able to judge its efficiency in this regard.

Home war needs. Full allowance has been made, under the new agreement, to supply aircrews as necessary for the maintenance of any additional numbers of operational squadrons which may be retained in Canada for home defence.

Royal Air Force units in Canada. Royal Air Force units in Canada will be administered by the Royal Canadian Air Force in the same manner as units constituted under the British commonwealth air training plan. Units now established, will preserve their Royal Air Force identity; all new training capacity created at the request of the United Kingdom will come under the British commonwealth air training plan. Present arrangements for consultation with the United Kingdom air liaison mission will be retained.

Royal Air Force elementary flying training schools, now established in Canada will be civilianized on similar lines to British commonwealth air training plan elementary schools, except that the flying instructional staff and certain specialist ground instructional posts will normally be filled by Royal Air Force personnel in uniform.

Including the trainees from the United Nations and various parts of the empire, the number of trainees sent to Canada by the United Kingdom will be greatly increased.

Control and administration of Royal Canadian Air Force overseas. The agreement provides for important changes in the administration and control of Royal Canadian Air Force personnel overseas. Provision had already existed for consultation on major operational questions. There will now also be a much closer liaison with regard to all other questions affecting the employment of Canadian personnel.

Royal Canadian Air Force overseas headquarters is given general supervision over Royal Canadian Air Force personnel attached to the Royal Air Force, and, subject to operational expediency, may recall any officer or airman so attached to serve with the Royal Canadian Air Force. Also subject to operational expediency the concurrence of Royal Canadian Air Force overseas headquarters is to be obtained in the selection of commanding officers for Royal Canadian Air Force squadrons and in posting of Royal Canadian Air Force officers of the rank of wing commander and above.

The Royal Canadian Air Force personnel reception centre in the United Kingdom is to be functionally controlled by Royal Canadian Air Force overseas headquarters. A Royal Canadian Air Force establishment will be formed in England to which Royal Canadian Air Force officers and airmen awaiting disposal, or convalescing after illness, may be sent.

National Identification. Under both the original and the new agreement, the United Kingdom government undertakes that pupils of Canada, Australia and New Zealand, after training is completed, and so far as is practicable, shall be identified with their respective dominions. So far as Canada is concerned, the new agreement proposes to implement this purpose, as operational considerations permit, through the constitution overseas of squadrons and higher formations with all-Canadian personnel, commanded by Canadian officers; and through the policy of posting Canadian personnel to squadrons in which Canadians already are serving. At present, Canadian personnel is scattered in over 600 Royal Air Force units.

(1) Bomber Squadrons. A Canadian bomber group to consist of R.C.A.F. bomber squadrons is to be formed and will be under the command of R.C.A.F. officers. Canada will furnish the ground crews for these formations. In preparation for the formation of the Canadian bomber group, and in order that they may gain the necessary experience of group control, a number of R.C.A.F. officers will be appointed supernumerary to posts at group headquarters. In order to keep the implementation of this policy to form a Canadian bomber group under constant review, a Canadian bomber group progress committee will be set up by air ministry. There will be Canadian representation in this committee.

(2) Fighter Squadrons. It has been recognized that by reason of operational requirements, fighter squadrons must necessarily remain under the control of the commander-in-chief, R.A.F., fighter command. In pursuance, however, of the objective of national identification, R.C.A.F. fighter squadrons, so far as possible, will operate from stations which will be made R.C.A.F. stations, manned by Canadian staffs.

(3) Coastal Command Squadrons and Army Cooperation Squadrons Overseas. Canadian coastal command squadrons overseas are to be manned as far as possible with Canadian personnel. Army cooperation squadrons allotted to Canadian army formations will be Canadian squadrons.

Commissioning of Aircrew. The general principle is established that all pilots, observers, air bombers, and navigators, considered suitable according to the standards of their own countries, and who are recommended for commissions, will in fact be commissioned. The existing percentages governing the number of commissions given to wireless operator (air gunners) and air gunners will be maintained, but some flexibility will be permitted

to ensure that airmen in these categories with the necessary qualifications are not excluded from commissions on account of the quota.

Transfers Between Air Forces. The partners in the agreement will consider applications of individuals for transfer to the air forces of their own nationality.

The new agreement reaffirms and reinforces the determination and capacity of the nations of the British commonwealth to maintain the training of aircrews on a vast and increasing scale. It emphasises the role of Canada, as "the airdrome of democracy", in this task.

The original training agreement was conceived in a spirit of vigorous enterprise. The agreement concluded this morning will be carried through in the same spirit and will play its part in building up with certainty and with speed air forces of overwhelming and terrifying strength.

Here the agreed statement ends.

My colleague, the Minister of National Defence for Air, expects to be able to table in the house next week the report of the Ottawa air training conference, at which representatives of the united nations were present, and also the agreement for renewal of the British commonwealth air training plan, which was signed this morning.

I believe hon. members would wish me, on their behalf and on behalf of the Canadian people, to express a word of appreciation to the delegations from our sister nations of the British commonwealth upon the speedy and businesslike conclusion of the new agreement. Their fine achievement is the result of the frankest and most cordial deliberations. It was particularly appropriate that the United Kingdom delegation should have been presided over by the Right Honourable Harold Balfour, Parliamentary Under-Secretary of State for Air, who shared in the negotiation of the original agreement, and whose special knowledge and continuous association with the enterprise were of exceptional value to the conference.

The wisdom of establishing the gigantic British commonwealth air training plan in Canada has been abundantly demonstrated. The most severe test came quite early; it was in the spring and summer of 1940 when the prospect of immediate danger might well have discouraged long range planning for ultimate victory. But Canada never wavered in her belief in British courage and British resolution, and in ultimate victory. This belief found its expression in our determination not only to go ahead with the plan, but also to speed up and expand its development. This supreme act of faith was shared to the full by the United Kingdom, Australia and New Zealand, the other partners in the plan.

To-day, the governments of Australia and New Zealand find themselves in a position very similar to that of Britain in the summer of 1940. They have displayed like courage and resolution, and have made the same decision. The fact that, despite the approach of war to their own shores, Australia and New Zealand have decided to continue as active partners is another striking proof of the soundness of the original project. It is also a further earnest of the determination of their peoples to let nothing divert them from the main objective: the achievement of victory.

Hon. members will, I am sure, join with me in an expression of sincere and wholehearted appreciation of the part taken by the Minister of National Defence for Air as head of the Canadian delegation, and chairman of the conference. We all know how close, almost from its inception, the British commonwealth air training plan has been to his heart. He and his able civilian and service advisers have borne the brunt of Canada's share in negotiating the new agreement.

The gigantic and devastating raids over Germany, of the past few days, particularly those upon Cologne and Essen, have stirred the hearts of the peoples of the united nations. A very large proportion of the gallant young airmen from the United Kingdom, Canada, Australia and New Zealand, who took part in these raids, received their training in Canada in schools of the British commonwealth air training plan. There could be no more dramatic or convincing evidence of the magnitude and effectiveness of the plan.

I shall be availing myself of a particularly appropriate moment, if in concluding these remarks, I express on behalf of the parliament of Canada the unbounded admiration and appreciation of all its members of the gallant and important role which Canadian airmen so prominently played in the recent raids. Not only members of parliament but the Canadian people as a whole are filled with admiration of their achievements. We shall ever remember with gratitude what our brave young airmen are so valiantly doing to defend the security of their own Canadian homeland, and to preserve freedom in all parts of the world.

WAR RISK INSURANCE

APPOINTMENT OF JAMES MATSON AS SUPERVISOR

On the orders of the day:

Hon. J. L. ILSLEY (Minister of Finance): I wish to announce that the government has approved the appointment of Mr. James Matson, Montreal, manager of the Royal Insurance company in Canada and of the Liverpool, London and Globe Insurance company and associated companies in Canada, to act as supervisor of war damage insurance. This appointment cannot be confirmed until Bill 56, at present before the House of Commons, has been passed, but in the meantime no time is being lost to organize the scheme of war damage insurance and arrange for its being put into effect as soon as possible after the passage of the bill.

In view of recent events emphasizing the possibility of enemy attack, the government is taking all necessary steps to provide the facilities whereby war damage insurance may be written by the established fire insurance companies and their agents throughout Canada, as soon as possible after the enactment by parliament of the pending legislation. It should be pointed out that any steps taken at the present time, including the appointment of Mr. Matson, and any other personnel, is purely tentative at the moment, and it is hoped that the public will not hamper their organizational work by besieging them with applications for war damage insurance. No war damage insurance can be written under the scheme until the pending legislation has been passed, and after allowing a short period thereafter for completion of the organizational work. The government will announce in advance when the scheme is ready and applications for war damage insurance can be received. In the meantime, until the legislation is passed and the scheme is fully organized there is the promise of protection by the government to the extent indicated by clause 6 of Bill 56, namely:

> If any person, during the period between the twenty-fourth day of December, one thousand nine hundred and forty-one, and the thirtieth day after the commencement of this act, both inclusive, has sustained or sustains loss from war damage, and if he makes application to the minister on or before such thirtieth day aforesaid, to enter into a contract of insurance in respect of such property, the minister may enter into a contract of insurance in respect of such property effective from the beginning of the twenty-fourth day of December, one thousand nine hundred and forty-one, but the amount of the indemnity payable under any such contract in respect of war damage to such property during such period shall not exceed fifty thousand dollars.

LABOUR CONDITIONS

LAYING OFF OF MEN AT CANADIAN PACIFIC ANGUS SHOPS

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I have given the Minister of Munitions and Supply (Mr. Howe) notice of a question, but as he is not in the house I will state my question and it may be called to his attention. It arises out of a telegram received from John Thomson, secretary of the Canadian Pacific Railway System Federation, and has reference to what is described as a serious situation developing in the Canadian Pacific Railroad Angus shop at Montreal where Valentine tanks are being manufactured. The telegram indicates that 175 men will be laid off as from to-day and that more are to follow. The official reason given for the lay-off is the lack of necessary material and parts. I should like to have this drawn to the attention of the minister so that he may give the house an explanation on Monday.

CLOSING OF CANADIAN ASSOCIATED AIRCRAFT—DISCHARGE OF WORKERS

On the orders of the day:

Mr. J. W. NOSEWORTHY (York South): I sent to the Minister of Munitions and Supply notice of a question which I wish to ask, and probably the Minister of Labour would care to answer it. Have any steps been taken by the government to secure placement for the aircraft workers already discharged and about to be discharged by reason of the closing of Canadian Associated Aircraft Limited?

Mr. SPEAKER: That is a question that should be placed on the order paper.

HOUSE OF COMMONS

EXPEDITING OF BUSINESS—EXTENSION OF SITTINGS

On the orders of the day:

Mr. D. A. McNIVEN (Regina City): Last evening I referred to a matter which the Minister of Mines and Resources (Mr. Crerar), who was leading the house, was good enough to assure me that I might bring up to-day on the orders of the day. The rules of the house provide for the adjournment of the house at six o'clock on Wednesday evening, and early in this session a motion was passed providing for adjournment at six o'clock on Friday evening until the following Monday at three o'clock. This is the eightieth day of the session and the amount of business that remains on the order paper which has yet to

be considered is such that, in my opinion, we should now consider the advisability of a motion suspending the rule for the adjournment on Wednesday evenings at six o'clock so that we may sit on Wednesday evening as on other evenings, and further that we should at the same time rescind the motion that was passed at an earlier date in the session with respect to Friday evenings.

When speaking last evening I suggested that the house might sit on certain mornings, including Sundays, but I am willing to withdraw the suggestion so far as Sundays are concerned, out of consideration for your Scottish principles, Mr. Speaker, and likewise in consideration of the opinion of my spiritual adviser, the member for Fort William (Mr. McIvor). However, in making that withdrawal I am going to ask the government to consider favourably the making of provision for sittings on Monday mornings, Friday mornings and Saturday mornings at eleven o'clock. At the present time the house sits twenty-four hours a week; and it should be added that on Tuesdays, Wednesdays and Thursdays committees sit for a couple of hours in the morning. Hon. members have in addition to that their mail and departmental work to attend to.

The British House of Commons sits from 2.45 in the afternoon continuously until 11.45 in the evening on Mondays, Tuesdays, Wednesdays and Thursdays; on Friday it sits continuously from 11 in the morning until 4.30 in the afternoon. The House of Representatives in the United States sits from 12 noon I think until 6 in the evening, although the records indicate that the hour of adjournment is at the discretion of the Speaker, and that the Speaker may name the hour on the following day at which the house will again convene. This means that the British House of Commons is sitting 40½ hours a week, and the House of Representatives in the United States approximately 30 hours. We in this country ask labour in the munitions plants, in shipyards, in all kinds of war industries, to work anywhere from 55 to 70 hours a week. It seems to me that we as members of the House of Commons could well work a little longer, put in a few more hours in actual sittings, in order to provide the wherewithal for these men whom we expect to work as I have indicated.

The other day the Minister of Finance made reference to this matter during one of the committee meetings. He said: "It is high time that we had some regard for time. If we do not take it into consideration we shall be sitting here all summer." I appreciate fully that the Prime Minister and the members of the war cabinet are exceedingly busy men, and I would not for a moment make this suggestion if I thought it would require the continuous attendance in the house of the Prime Minister and members of the cabinet. But there are other members of the government whose estimates have not yet been considered, and during these extended hours of the session one minister after another could bring his estimates forward for discussion. It would expedite the business of the house; it would enable the war cabinet ministers to advance Canada's war effort, and it would permit members of the house to proceed to their homes at the earliest possible date.

I again refer to the Minister of Finance who the other day said: "There is something wrong with the House of Commons, and I am not able to tell what it is."

Custom, usage and tradition over a matter of seventy-five years have established the practice that there shall be no vote on Mondays or Fridays, and that committees, with the odd exception, shall not meet on either Mondays or Fridays. This practice has grown up with a view to the convenience of hon. members who find it possible to go home over the week-end.

I suggest that some of the things the Minister of Finance had in mind as being wrong with the House of Commons could be remedied if we were given to understand that there will be votes on Mondays and Fridays if necessary, and that committees will meet on Mondays and Fridays if necessary. And there should be some organization of the debates in the house. I believe that the senior whips and the whips of each group, if they were to meet, could so arrange future debates as largely to eliminate much of what the hon. member for Wellington North (Mr. Blair) spoke of the other afternoon.

As an alternative to the suggestion of morning sittings, possibly the Prime Minister would consider doing as they do in the British House of Commons—sit continuously through, and eliminate the dinner recess.

This institution, Mr. Speaker, the House of Commons, is one of the institutions of democracy for which this war is being fought, and we here are, for the time being, the custodians of its rights and its duties and its responsibilities. It becomes our immediate duty, our immediate responsibility, so to conduct this institution as to make it work, and work hard, for the people for whom it was created and designed.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am sure there will be general appreciation of what the hon. member for Regina City (Mr. McNiven) has said with respect to the desirability of expediting the work of the session so that hon. members will not be kept here for the greater part of the year. But there are some matters of which perhaps he has not taken as full an account as might be desirable. One is the fact that the business done by parliament is not to be considered as comprised simply in the time hon. members spend in the House of Commons. My hon. friend's remarks would seem to imply that most of the work we do, is done while sitting here. Work mostly lies in effective preparation in advance of what is reported here. My feeling is rather that the work of the session would be greatly shortened if hon. members came here well prepared on the subjects to be discussed and sought to confine their remarks to the relevant and most important points which should be developed.

But certainly it would be impossible for members of the government, and I think also for most members of the house, to do the kind of work that is expected of them, to have in their minds the information which is essential for purposes of debate without some time for preparation. Nor do I see how they could manage other duties, if they do not have the forenoons, at least, for purposes of conference, and to deal with correspondence. As far as the government is concerned, ministers must have opportunity to confer with the members of their own staffs, some chance to take up with them the different questions that are likely to come, if they are to be prepared to discuss them when they come to the house. They must have some opportunity as well to see members of the house on different matters. All this and much else is a part of the business of parliament and time must be found for it.

My hon. friend spoke about sitting on Wednesday and Friday nights. Towards the end of the session it is customary to sit on Wednesday evenings as well as Friday evenings, and also to begin sittings in the mornings and to sit on Saturdays. But the right time to begin extra sittings is when the committees of the house are through with their work and when we see the end of the session in sight. The only effect of starting morning sittings too soon and of sitting every day until eleven at night would be that hon. members would become so fatigued that the sittings almost certainly would tend to become more protracted than ever. The little break on a Wednesday and Friday evenings, the knowledge that the house will only be sitting in the afternoon on those days, enables most members so to adjust matters as to be more regular in their attendance upon the proceedings of the house and to come to the house more or less refreshed and with a feeling that they are able to concentrate on the business during the time the house is actually sitting.

I think my hon. friend is in error about the time taken by the British house in actual sittings. As a matter of fact I would cite the example of the British house as a reason why we should continue the practice we follow at the present time. The British house, as a matter of fact, since the war commenced, has very much abbreviated the time of its sittings. It has done so for the reason that there is so much more of very great importance that has to be considered that more time is required for study, reflection and preparation. Moreover the intensity of the strain on everyone is so much greater. The war itself, apart from ordinary business, puts a strain on all hon. members; the happenings from day to day are something which has to be taken into consideration, but the greatest strain of all is the exceptional importance of the questions which are being discussed, and the care that has to be taken in dealing precisely with every phase of important matters.

Since the war commenced the British house has been sitting on an average three days a week. I have the particulars here as to the length of the sittings in Britain since the war commenced. I gave them in part to the house once before; I repeat them now, since they may be of added interest to hon. members. I noticed my hon. friend's question of last night in *Hansard,* and therefore came prepared to answer him on this particular point this afternoon. I shall take the period after the 1940 election in this country, and the time taken by our sittings and compare it with that of the British house over a corresponding period. From May 21, 1940, to November 20, 1940, the British parliament had in all sixty-two sitting days. Our parliament in the complete session from May 16, 1940, to November 5, 1940, had sixty-one sitting days. The British parliament in a like period of time took one day longer than this parliament to transact its business; I think my hon. friend and all hon. members will agree that the British parliament has a much vaster

programme to cover, that the questions coming up from day to day are in degree at least, if not in kind, very much more significant than some we have to consider here. For the year following, during the complete session from November 21, 1940, to November 11, 1941, the British parliament sat 113 days in all. Here, in the complete session from November 7, 1940, to January 21, 1942, the Canadian parliament sat during 105 days. Let me give those figures again. For the first year there were sixty-two sitting days in England as against sixty-one here. The following year, which was last year, there were 113 sitting days in Britain, as against 105 in Canada. Now I come to this year. Since November 12, 1941, up to the present, the British parliament has sat for seventy-seven days. Our parliament, beginning only on January 22, not on November 12 as the British parliament did, has up to to-day sat for eighty days. In other words, we have in this time of war thus far sat this year three days longer than has the British House of Commons.

That, I think, affords a key as to how this existing situation may properly be met. It can only be met by what my hon. friend really has suggested, some organized effort; an arrangement made between the whips in the first instance and between the leaders of the parties, where that is also required, to have discussion in some way so limited that it will not take up an indefinite period of time. Take the present debate on the war appropriation bill. I am sure there might have been on the part of every group in the house an agreement that certain members would speak to certain questions, and all combined occupy a certain length of time. If there were an arrangement of that kind we should certainly get through with the business of this house in the same expeditious manner in which the business is dealt with in Britain. I see some hon. members smiling, but if it can be done in Britain certainly it ought to be possible here. I have no desire to limit anyone in regard to discussion, but I do suggest that some arrangement within the groups themselves as to the time that should be devoted to the discussion of different questions would materially shorten the time necessary to deal with the business of the session.

Mr. DOUGLAS (Weyburn): We could organize our members, but could the government organize the hon. member for Témiscouata (Mr. Pouliot)?

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: I do not think my hon. friend ought to lay that task upon the government; it will have to be taken in hand by the entire house. I am very glad the hon. member for Regina City has brought up this question, because I know it is in the minds of all hon. members and will become increasingly so as we get on into the summer months. There is a large programme still ahead of us, but in my own mind I am perfectly satisfied that we would not be facilitating the business of the house if at this stage of the session we sat in the mornings, or if we altered our present arrangements, at least until after further progress has been made.

Hon. R. B. HANSON (Leader of the Opposition): I do not intend to enter into any extended discussion of this question, but there are some observations which I desire to make. The Prime Minister (Mr. Mackenzie King) has in some respects presented my own point of view. I do not, however, quite agree with him with respect to the debate on the war appropriation resolution when I think of the time taken by the Minister of National War Services (Mr. Thorson), for instance, in defeating and delaying the passage of his own estimates, and that without giving us the information requested. I suggest to the Prime Minister that he talk to that hon. gentleman. I have seen other ministers in this house delay their own estimates. I recall with a good deal of amusement a gentleman who in days gone by occupied the position of Minister of Agriculture, who required only an invitation to give the House of Commons a real lecture. I am not saying that in any malicious spirit at all; I just call attention to the situation and to the fact that all the delay has not been occasioned by those on this side of the house.

With respect to the observations made by the hon. member for Regina City (Mr. McNiven), I do not think it is quite fair to publish to the country the statement that we work only twenty-four hours a week while people in factories are asked to work sixty and sixty-five hours a week. That statement is definitely calculated to mislead the Canadian people. I wonder what the hon. gentleman knows about my working week.

Mr. McNIVEN: I rise to a point of order. The leader of the opposition (Mr. Hanson) has said that my statement was deliberately calculated to mislead. What I said was that the House of Commons sits twenty-four hours a week, and I enlarged upon that

by pointing out that members had to attend meetings of committees and perform other duties.

Mr. HANSON (York-Sunbury): I could not follow the hon. member's point of order, but if he takes exception to any imputation of motives against himself certainly I shall withdraw. But I will say this, that the statement which went forth from this house last night is calculated to lead the people of Canada to think that members of this House of Commons work only twenty-four hours a week, while we are calling upon labour in this country to work sixty, sixty-five and seventy hours a week.

Mr. McNIVEN: On a point of order, Mr. Speaker, the hon. gentleman has repeated exactly what he said before, that my statement last night was calculated to create a wrong impression. If he would only quote what I said, he would see that my statement was that the House of Commons sits for twenty-four hours each week.

Mr. SPEAKER: I think the leader of the opposition is entitled to draw his conclusions from what the hon. member said.

Mr. HANSON (York-Sunbury): I was giving an interpretation which I think was justified and which I believe will be the interpretation placed upon the words by most people in this country, namely, that we work only twenty-four hours a week in this house. Nothing could be worse than to send out to the people of Canada an impression of that kind. Everyone in this house, everyone in the press gallery, knows that for the most part members of this house work long, weary hours. I do not mind saying that when 6 o'clock comes on Friday evening I welcome the release. I work at least fifty-four hours a week, not to mention the work I may find myself obliged to do on an occasional Sunday. I have had to work on Sunday, and I do not want to do that unless it is really necessary. To convey the impression that we only work twenty-four hours a week is, in my humble opinion, calculated to bring this institution into disrepute, and the statement is not based on the facts. What is the working day? We get here at 9 o'clock in the morning and, with the exception of a limited lunch period and an hour or so for the dinner recess, we are here until 11 o'clock at night.

I try to slip away at 10.30 p.m. I go home, and go to bed, tired out, and many hon. members do the same. I agree we ought to get along with our business. Of course the solution of our difficulty is a better organization of the work in the House of Commons and of the committee of the whole. After all, however, we are dealing with important problems here. The people of the country expect us to do this work, and to analyse situations. They expect us to investigate the country's operations, especially in relation to the war.

I should hope there may be some better organization of the work. But I do say this, that if we are to be asked to come here in the morning, and to sit morning, afternoon and evening for six days in the week, how in the world are we going to do the other duties which of necessity devolve upon members of the House of Commons, and especially, I should think, upon members of the government? We just cannot do it, and it is not quite reasonable to expect it of us.

I sympathize with the hon. member who is a long way from home, and who does not get home often. Geography is against him as, perhaps to a more limited degree, it is against me. I am not sympathizing with hon. members from Quebec and Ontario, who live nearby and who slip away on Friday afternoons, so that we do not see them again until Monday night. This is no handicap for them.

An hon. MEMBER: And some of them Thursday night.

Mr. HANSON (York-Sunbury): Some of them Thursday night.

Mr. MacNICOL: Not I.

Mr. HANSON (York-Sunbury): No; that does not include my hon. friend the member for Davenport, because he sits here steadily. But I do suggest that we could, I believe, if we put our minds to it, limit the time in which we are engaged in the discussion of specific matters. I do not know what the government is going to do with the hon. member for Témiscouata (Mr. Pouliot); he is not my trouble or worry.

I shall endeavour to cooperate in every possible way with the government to expedite the business of the house, always having due regard to the public interest. I do not think I should go further than that. But I am not willing to work twelve hours a day for six days of the week, and then perhaps have to work on Sunday, too. I just cannot stand it, physically.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, this group will be willing to cooperate with other hon. members in expediting the work of the house in every way possible. But if we look at the clock, and consider what we have done to-day, we shall have some idea

of how well we can kill time. It seems to me that for an hour—other hon. members may think differently—we have listened to the reading of a report which might as well have been tabled, printed, and distributed to the members. Then we have had this discussion, which has taken another half hour or so.

An hon MEMBER: An hour.

Mr. MacINNIS: No, not quite. So that almost two of the three hours we are to sit to-day have, in my opinion, been pretty well frittered away on non-essentials.

I am glad that both the Prime Minister (Mr. Mackenzie King) and the leader of the opposition (Mr. Hanson) referred to the statement made in the house yesterday evening by the hon. member for Regina City (Mr. McNiven). I believe his was a most unfortunate statement. As it appeared in the press this morning and as it was broadcast over the radio, it was made to appear that members were working only twenty-four hours a week. The hon. member for Regina City may have been speaking for himself, but certainly he was not speaking either for me or for members of this group. We are here at or before nine o'clock every morning, and we cannot find enough hours between that, and eleven o'clock at night when we leave, to attend to the work we have to do.

I believe it was the Prime Minister who said, and rightly, that the work an hon. member does is not all done in this chamber. This is where we either talk for a few hours, or are bored for five or six hours. But the largest part of a member's work is done in his office, in the departments or in committees, and every minute of our time is taken up.

We shall be glad to meet with representatives of the government, the opposition and the group to my left to do everything possible to carry out our work expeditiously and efficiently. But we should not forget that we are paid to come here to do the work for which we were elected.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I think it is a good thing for us to express faith in parliament and in parliamentary institutions. There is altogether too much of a tendency on the part of people throughout the country and in the press to disparage the work of parliament. My impression, since coming here in the spring of 1936, is that this parliament does a difficult job, and does it well. That fact ought to be known throughout the country.

I do not believe the people realize the difficulties connected with governing this country. They do not appreciate the extent of our dominion, the widely varying conditions, and the fact that we are treading over unknown ways. Members have to cope with these conditions and struggle to reach some sort of unity. That takes time, and a great deal of energy.

I have all confidence in this parliament, and all confidence in democratic institutions. We ought to stop talking down, and start talking up.

With respect to the length of our day's work, I sympathize with what has been said by the hon. member for Vancouver East (Mr. MacInnis). I get here about eight o'clock in the morning, and I leave about eleven-twenty at night. I hardly have time to eat. Very few people realize how many problems come before a member of parliament in the course of a week. I have spent as much as twenty-five hours dealing with the problems of one man, and I am sure every hon. member has had similar experiences. Problems arise which simply have to be dealt with. Many of them require a great deal of thought, study, sympathy and care on the part of members and ministers.

As to the ministers, Mr. Speaker, I have found the ministers of the government sympathetic, earnest and willing to do the very best they can to govern well. That has been my experience. I believe if hon. members do their duty, they will be working with those ministers to help them govern well. If an hon. member does that, he will work much more than twenty-four hours a week.

We are passing through a time of transition. We are in an age of abundance, when all our experience has been in an age of scarcity. The result is that we do not know just exactly how to gauge ourselves. But we will find out how to carry on, and we will make this parliament everything we desire it to be.

I am prepared to cooperate with other members in expediting business.

FEED GRAINS

FREIGHT RATES FROM MIDDLE WEST TO EASTERN CANADA AND BRITISH COLUMBIA

On the orders of the day:

Mr. J. G. ROSS (Moose Jaw): I should like to ask a question of the Minister of Agriculture. When speaking the other day he intimated that the government was considering the continuance of the payment of freight rates on feed from the middle west to eastern Canada and to British Columbia. Has the

government made a decision on the point, and if so, is the minister ready to acquaint the house with that decision?

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, the government has made a decision in the matter, and has decided to continue for an indefinite period the freight rates paid on grain moving east, and moving west.

CANADIAN FORCES

PERSONNEL LISTED IN DEFENCE TELEPHONE DIRECTORY

On the orders of the day:

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, may I put on *Hansard* the answers to two questions to which reference was made yesterday by the hon. member for Témiscouata (Mr. Pouliot) at page 3045 of *Hansard*. His first question, as reported at page 2292 of *Hansard*, was: "Of the total number of men enlisted from the thirteen hundred whose names appeared in the directory he held in his hand, how many were bilingual?" His second question was: "Out of that total number, how many officials both civil and military have been living in this country for the last five years?"

So far as the army is concerned, there are 871 names listed in the directory. Of these, 737 have resided in Canada during the past five years, and of these, 140 are bilingual and 597 are not bilingual. Three persons listed have not resided in Canada for the past five years, and of that number two are bilingual and one is not. One hundred and thirty-one persons whose names appear in the directory have been moved away from headquarters since the directory was prepared, and therefore details are not available.

Mr. NEILL: How much time was wasted collecting that information?

Mr. RALSTON: The calculation was that fifty hours' time would be taken in getting that information.

MAN-POWER ACCORDING TO AGE CLASSES—ENLISTMENTS, POSTPONEMENTS, REJECTIONS, ETC.

Mr. J. G. DIEFENBAKER (Lake Centre): Following up the answers that have just been given, I should like to ask the Minister of National War Services whether he is now in position to answer the several questions that appear at page 2967 of *Hansard* in connection with the mobilization of man-power and the survey of man-power according to age classes.

The understanding was that this information would be given before the debate on the mobilization act amendment next week. Is the minister in position to give that information, as well as that asked for in question No. 26 standing in my name on to-day's order paper, which has to do with the subject matter?

Hon. J. T. THORSON (Minister of National War Services): I do not recall having given any undertaking to obtain the information. I indicated the difficulties involved in getting it. I do not think I have anything to add to what I said on that occasion.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, June 4, consideration in committee of a resolution to provide sums not exceeding $2,000,000,000 for the year ending March 31, 1943, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Bradette in the chair.

Mr. BLACKMORE: Mr. Chairman, last evening the leader of the opposition (Mr. Hanson) made some adverse comment on the price ceiling which the minister had applied, criticizing it considerably. In the course of his remarks he involved social credit ideas and myself. When the minister answered him, he also involved our ideas and myself. At about fifteen minutes to eleven o'clock I rose and made such comments as I had time to make in defence of our views. I think it fitting that I say a little more this afternoon.

The belief was expressed by the minister and by the leader of the opposition that my group were not in favour of taxation or borrowing. I should like to place our position squarely and fairly before the members of the committee.

I did not say that we could carry on this war without borrowing and without taxation, and I have never said that. There is an error on page 3090 of *Hansard* which I think I should correct before it goes any further. It was probably due to a slip in my language. In answering the Minister of Mines and Resources (Mr. Crerar) I am reported as saying:

> I did not say I would not tax. I said, "without additional borrowing."

That should be, "without additional debt." Hon. members will find that that is exactly what I had said; I was just repeating. What I did say was that the new money could be got without debt or taxation.

I said that social credit proposes to use the national credit to provide money without additional debt, without additional taxation. That puts an entirely different meaning on the expression used. Hon. members will find that my interpretation is correct. I can understand how the minister interpreted it as he did, but he will find that that is the meaning. In the same passage as reported on page 68 of *Hansard* of November 13, 1940, I went on to say:

> Social Crediters maintain that in any well-organized and well-managed state with rich and varied resources, such as we have in Canada, the national credit can and should be used to provide fair prices and adequate home markets for all essential industries.

There are other passages which I believe ought to be read in this connection. I am doing this in order that the minister may realize that we are not so widely at variance in some respects. It is well that men do not misunderstand each other; in a time like this we need all the cooperation we can get. On page 70 of that same *Hansard* I quoted the remarks of Professor A. F. W. Plumptre, as they appeared in the October 5, 1940, *Financial Post*. I quote these words:

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

Mr. ILSLEY: The amendment of the Social Credit party to the resolution reads—*Hansard*, 1940, page 68:

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

Does that not indicate that at that time the policy of my hon. friend's party was to conduct the war effort without increasing debt?

Mr. BLACKMORE: The minister's observation is quite logical, and it will require some explanation in order to make clear the meaning. May I just use an illustration to show the minister that that is not the exact interpretation that should be placed on the amendment. The minister will understand that if he had used the national credit to give the western farmer, we will say $1.15 a bushel for his wheat, the western farmer would have been able to buy a great deal more. He would have bought more goods, which would have yielded the government more income from taxation, from the tariff and from other means. He would have been better able to pay taxes to his own province, and he would have been in a better psoition to pay his machinery debts, his grocery debts and his other debts. In this way if the income of the people throughout the country were improved, as the amendment clearly indicates the social crediters conceive it should be improved, then the country would move progressively out of debt. It is not easy in a short time to explain in detail this matter to the minister. In the minds of social crediters it is perfectly feasible. The minister knows, without looking the matter up, that by refunding debts, he has paid off vast sums of money on the national debt in Canada while the war has been going on. He has paid those debts with more money which he has collected by taxation, and money that he has borrowed. If he had been using the technique of creating money, as far as he could do so safely, he would have been able to pay more of these debts with such money. I am sure he would have found out in other ways, as the great billion dollar gift which we made to Britain will indicate, if carefully studied and fully understood and interpreted, that the debt of the country could be progressively decreased while the war is going on without in any way interfering with the progress of the war. Whether we should be able to get through this titanic conflict with less debt than we started with, even under a social credit technique, I cannot just tell, but I should be quite sure that the debt would be far less than it will be under the system which the minister is following. Do I answer the minister sufficiently?

Mr. ILSLEY: Yes.

Mr. BLACKMORE: To explain fully, I would have to go into a great deal of detail. One simply cannot expound in a few words a whole monetary system and a new system of economics. May I read another passage, which I think has a bearing in this connection, from the same speech which I gave. As reported on page 71 of *Hansard* of the same date I stated:

> Inflation may be controlled, and there are several ways of doing this. We must remember first of all that inflation is a rise in prices which results from having more money in circulation than there are goods to be purchased. Inflation can be controlled by employing credit restriction. That is what this government has been doing for years and years. Another way is by taxing the people until they have no money to spend.

The minister will notice that in some respects I agree completely with his ideas with respect to warding off inflation.

This is a way very dear to the heart of the present government. Another way is by price fixing. This can be done by setting a point beyond which a commodity price cannot rise. It can be done by the government paying part of the cost of the article.

That brings in the principle of the subsidies which the minister is using.

Great Britain is spending £60,000,000 annually in order to keep down the prices of staple foods to the poor. This will be found on page 304 of *The Economist* of September 7. Great Britain is commencing to use the principle of the just price which was condemned when it was advocated by Social Crediters. And the degree to which Britain safely solves her economic problem will be the degree to which she accepts other principles of the Social Credit doctrine, just as sure as we are in this house.

I wish to put this before the minister so that it will help him to get a conception of the attitude we have toward his whole scheme of price control and his scheme of conducting the economy of Canada for fighting the war.

I endeavoured to illustrate to the leader of the opposition last evening the principle of the creation of money. Professor A. F. W. Plumptre points out it can be done. It was pointed out definitely in the meetings of the banking and commerce committee in 1939 that it can be done. I have, for instance, on page 29 of the report of these hearings this statement of Mr. Towers:

A government can find money in three ways. They may find it by taxation, or they may find it by borrowing the savings of the people, or they may find it by action which is allied with an expansive monetary policy,—

He goes on to say:

that is borrowing which creates additional money in the process.

That, from the bankers' point of view, is the way to do it. From the social crediters' point of view new money should not be borrowed. If the money can be created, social crediters urge it is a real asset to the state and should be regarded as such and be a clear addition to the revenues of the state to the extent that that creation can be carried on without causing inflation.

I endeavoured to illustrate to the leader of the opposition this power to create money by reference to the $26,000,000 which were created definitely in the last war by the Department of Finance under the Finance Act of 1914. This amount of $26,000,000 was used definitely for carrying on government business, probably paying expenses of the Canadian National Railways and other business just as ordinary revenue would be used. Those $26,000,000 were bills, from the printing press.

Social credit, as its name implies, deals with credit. It conceives that most of the money that is created should be created not as bills but as credit; only enough bills should be created to facilitate the ordinary hand-to-hand business of the country in carrying on its affairs. I want to point out to the leader of the opposition that created money is sound. I do not know whether he knows this or not, but he does not act as though he understood it. As reported in *Hansard* at page 3080 he spoke in a somewhat disparaging way of the idea of creating money. This is what he said:

This is not fiat money, I would have the hon. member for Lethbridge understand. This is not printing-press money. This is real, good, hard cash paid by the taxpayers of Canada, and it is going to be paid to certain persons.

The leader of the opposition seems to think that money which was created by the state could not be real, good, hard cash. If the leader of the opposition thinks that, he is completely in error.

I wish to go on with several other matters. I believe I have made quite clear the social credit concept; if I have not, I would appreciate it if the minister would ask me questions. The social credit concept is that in any country of rich resources there can be created a certain amount of money depending upon the goods-and-services-producing-and-consuming-power of the country. Either that money can be created by the banking system as a debt and be borrowed by the government, or it can be created by the government as a sheer asset of the state, as the quotation I read last night from Vickers' "Economic Tribulation" clearly shows the writer believed.

May I read a passage from another source which perhaps has escaped the minister's attention. This passage comes from the London *Times* of recent date and is quoted by the Montreal *Daily Herald* of June 4 in an editorial, "Will Protective Tariffs Disappear?" I am going to read the words from the editorial. I said last night, rather sternly I believe, that all progressive men everywhere are beginning to see the possibility of creating money. This passage will help to show that even the very orthodox and conservative London *Times* is beginning to see that possibility. The words are:

We are not likely to solve our post-war problems unless we make up our minds to treat money as a bookkeeping technique to facilitate the production and exchange of goods and services, not as something the supply of which sets a fixed upper limit to our productive activities.

May I digress for a moment to point this out. Social credit, as I will develop it if my time permits, conceives that the credit of the state may be used greatly to increase the productive capacity and production of the state—which is an idea that is conveyed definitely by the words I have just read. To continue the quotation:

> It plays much the same part in the economic life as railway tickets play in transportation. It is dishonesty, akin to inflation, to issue tickets for more trains than can be run. It is absurd to cut down the railway service because the ticket office has run short of tickets.

That is precisely the concept of social credit.

When we were talking in 1939 there was a vast amount of productive capacity and actual production in Canada which was not being used. We could have created enough tickets, enough money to have caused these productive capacities to come into use and all of these idle goods to be used. As an illustration of what might have been done, just think of the lumber which we were not having very much use for during six, eight or ten months; imagine what would have been achieved by means of a credit expansion which would have resulted in houses being built all over Canada and would have kept the lumber mills busy nine months of that year before they were brought into operation by the demand of war. What a change there would have been in the social conditions among the Canadian people! How much stronger we would have been to fight the war! Such credit expansion would have been an example of tickets created for the goods that were already in Canadian lumber yards—not enough tickets to bring about a scarcity of goods, but merely to stimulate, to motivate production to the highest degree possible. If at any time I do not make myself clear, I shall appreciate it if the minister will let me know.

I have never advocated a limitless creation of money. I hope that never again in this house will the minister or the leader of the opposition or anyone else accuse us even by implication of advocating any such thing. It was the favourite device of Mr. Dunning to say that sort of thing, apparently side-stepping the issue and getting people off on the wrong track. But that is not fair; it is not in the interests of the country. Reference was made last night in two places to unlimited creation of money. As reported at page 3077 of *Hansard* the minister used these words:

> Sounder than the creation of unlimited sums of new money.

We have never advocated that, under any circumstances anywhere since we came to the house. Again as reported at page 3078 he spoke of "the unlimited creation of money." That is a misinterpretation of our ideas. This is the rule: The amount of money that can be created and used, as I have said over and over again, depends upon the goods-and-services producing-and-consuming power of the state. That is the simplest way in which it can be expressed in general terms. It is a fairly accurate way of determining the amount of money that can be created and used. The minister himself has that concept; only he has not our concept of "creating" money; he has the concept of the degree to which the "banks" can create money without causing inflation.

Mr. ILSLEY: May I say this for the sake of clarification. The hon. gentleman seems to argue part of the time that we should run the banks. That is the Cooperative Commonwealth Federation policy. He seems to object to the private banking system. Instead of allowing the banks a profit on the carrying on of banking activities, he suggests that the government should carry them on; and, as presumably he would say, that the government should have the profit themselves. Is that the position of social credit?

Mr. BLACKMORE: No; that is not quite correct. The social credit movement believes that the banks can work for the government. The banks do not necessarily belong to the government. It may be quite all right for the government to buy the whole banking system. We would certainly never favour having the government seize it or cause any harm to the bankers. We do believe in private enterprise. That, the minister will find, is the distinctive difference between our movement and the socialistic movement, which seems to favour government ownership and direction. We believe it is better for the country to have private ownership.

Mr. ILSLEY: I may become, I am afraid, a minister who delays his own estimates, but I should like to ask the hon. gentleman this question. If the private banks, the commercial banks, are to continue in private hands and continue lending money, are they not creating money in the sense which the hon. gentleman implies, and therefore perpetuating what he says should not be allowed to continue? Bear in mind that the hon. gentleman said a few minutes ago that the creation of money should be a state activity, that money is an asset to the country and should be created by the state. Is that position consistent with the position that the private banking system should be allowed to continue?

Mr. BLACKMORE: First, let me put it in this way. The Bank of Canada prints bills

to-day, and the government theoretically borrows those bills from the Bank of Canada, thereby creating a debt to the Bank of Canada, which is a debt to the government itself inasmuch as the Bank of Canada is a government institution, a branch of the minister's own department, as I understand. In that respect, the government can obtain bills and perhaps credit at a very low rate. It should be able to obtain it at cost of printing, cost of bookkeeping and cost of management.

Mr. ILSLEY: What about cost of interest on deposits?

Mr. BLACKMORE: We shall come to that.

Mr. ILSLEY: That is part of the costs.

Mr. BLACKMORE: I was dealing first of all with the central bank.

Mr. GILLIS: I make no pretence at being able to follow the hon. gentleman all the way through, but one thing strikes me. How will you control the issuing of currency or tickets when your productive capacity is in the hands of private enterprise, when it is in someone else's hands and someone else controls it? On what are you going to base the issuing of currency?

Mr. BLACKMORE: I do not want to keep anyone from asking any questions, and perhaps the minister will allow me to answer the hon. member's question first. It would be better, however, if all questions could be deferred until I get through.

Mr. GILLIS: I asked only one question.

Mr. BLACKMORE: It would be better if the hon. member would bring that up at the end, because to answer the minister's searching questions is enough for any hon. member, if the situation is to be made clear for the record. Perhaps my hon. friend will bring it up later.

Answering the minister's question, I would point out in the first place that I was dealing with the central banking function, and theoretically the primary business of the central bank is not paying interest on deposits.

Mr. ILSLEY: No.

Mr. BLACKMORE: When you come to the secondary or chartered banks you are dealing with another problem. The chartered bank has to pay interest on deposits. This causes the private or chartered bank to incur definite costs. Perhaps it costs them 3 per cent.

Mr. MacNICOL: They pay only one and a half.

Mr. BLACKMORE: I said "perhaps", for the reason that there is a good deal of discussion about the matter. If hon. members will read the proceedings of the banking and commerce committee of 1939, they will see how difficult the question was then, and we in this house can hardly hope to settle it if that committee were unable to. But take 3 per cent as the rate and assume that it costs the Bank of Montreal 3 per cent to lend money to the people, taking into consideration what it pays for its own deposits. The social credit position would be something like this. Farmers are producing the very sinews of war, such as milk, honey, beef, wool and so on, and surely they should never be called upon to pay 6 and 7 per cent. That is adding to their costs; it is adding to the costs both to the community and to the government. It is unsound. Social credit would say that probably 2 per cent or even less is all that the farmer should ever have to pay for production loans. The question would be raised, how would the difference be made up to the bank? How would the bank of Montreal be saved from loss?

Mr. MacNICOL: It would be the difference between three and two.

Mr. BLACKMORE: Yes, a loss of one per cent. I think it will come to be realized as the years go by that the people can afford to have the government subsidize the bank on that loan. If it costs the bank 3 per cent and the government wants the farmer to have it at 2 per cent, the government can afford to pay the 1 per cent; that is, provided the loan is for bona fide production. The increased business will rapidly increase the profits of the bank, which again is an important item. The minister as he realizes has opened up a highly technical question. That is perfectly all right, but it is one which it is difficult to deal with on the floor of the house, one which could be much better dealt with in the banking and commerce committee.

Mr. ILSLEY: That is an additional subsidy for agriculture; that is all.

Mr. BLACKMORE: That is right.

Mr. ILSLEY: There is nothing very difficult about that.

Mr. BLACKMORE: That is true. But it is a new idea that I find people do not apprehend quickly.

Mr. ILSLEY: We are familiar with it.

Mr. BLACKMORE: The minister has raised an important point After all is said and done, if the production of wool, which is

disturbing people greatly to-day in Canada, is so vital to the welfare of Canada, why should the producers of wool be penalized by high interest rates? Looked at logically it never can be sound economics.

I think I have said enough on that point. If the minister has no further questions, I shall now turn aside to deal with the question of the hon. member for Cape Breton South before we lose track of him. The hon. member asked in effect: If the government creates through the Bank of Canada a one dollar bill which gives a claim to a bushel of wheat, how can the government create the one dollar bill giving that claim when the government does not possess the bushel of wheat?

Well, the bank of Montreal and every other chartered bank in Canada were doing that thing for scores of years. They were able to do it; they are able to do it now. When the dominion government created a one dollar bill under the Finance Act of 1914 the dominion did it; they do it now through the Bank of Canada, and that bill is a claim to a dollar's worth of fish, or a dollar's worth of coal—

Mr. GILLIS: Then there is no necessity to change, if they are already doing it.

Mr. BLACKMORE: I am merely answering the hon. member's question.

Mr. GILLIS: That is not answering it. The hon. member's argument is they are doing it and have been doing it. My understanding of his argument was that he desires a change whereby the government would take over the control of the currency of the country, based on the productive capacity of the country, and issue sufficient credit to keep things moving, as it were.

Mr. BLACKMORE: To effect exchanges.

Mr. GILLIS: My question is, if your tickets are based on the productive capacity of the country, you still have no power to move those who control private enterprise as it is now; they are still in a position to keep the people at poverty level and keep the government in the position where they do not have anything to issue tickets against. As I see it, you must take out of the hands of private enterprise the machinery of production so that you can work your credits and the machinery of production in coordination; you must have control over that.

Mr. BLACKMORE: No. You exercise a certain amount of control over industry in this way: In the first place the power of legal tender which the government possesses enables the government to create a credit instrument which is a claim to the production of any productive enterprise under the jurisdiction of that government. That is a principle which cannot be gainsaid. That is point No. 1. It matters not who owns the productive enterprise.

Point No. 2 is: Any industry is in business for a profit. It does not do an industry, say a coal-mining company, any good to own a coal mine if it cannot produce coal and sell it. The result is that the all-important matters to the coal business are markets and price. When the government creates a dollar bill it creates the means of buying the coal, providing a market, also the means of establishing price.

An hon. MEMBER: Will the—

Mr. BLACKMORE: May I ask hon. members not to divert me from my discussion any more at the present time. I will go into this with the greatest detail, but I should like to finish the speech I am giving and then answer questions. It is not that I have any doubt of the soundness of what I advocate—

Mr. MacNICOL: You are thoroughly convinced yourself.

Mr. BLACKMORE: Utterly, and I think by reference to the principles and practice to-day I can establish the soundness of what I have said.

I was saying that the amount of money that the government can create depends on the goods-and-services-producing-and-consuming-power of the country over which the government has jurisdiction.

Mr. ILSLEY: That is a pretty indefinite criterion.

Mr. BLACKMORE: You cannot put it any other way; it is a general principle. If you had opportunity to go into details you would find it completely sound. I held that in the speech which I gave on March 8, 1938, when I moved a vote of want of confidence in the government. I merely recall that to show that our concept is permanent and stable. We have never advocated and are not advocating the creation of more money than the goods and services of the country justify; not enough to cause inflation.

Mr. ILSLEY: If the social credit party is not against borrowing and is not against taxing and is not against private ownership, then the difference between the social credit party and the government comes down to this, just a difference in judgment as to how much money should be issued from time to time.

Mr. BLACKMORE: The minister is coming very close to it. The first great difference between the social credit concept and the gov-

ernment concept is this: social credit says that all the money in the state, all that it is possible to create, fundamentally is the property of the people in the state and should be owned by the government to be used for the welfare of the state.

Mr. ILSLEY: So do we. Of course the monetary policy should be the policy that is in the interest of the welfare of the state. There is no difference between the social credit party and the government there.

Mr. BLACKMORE: Only that the social credit party says that new money should be issued as a clear asset to the state, should be a definite addition to the revenues of the state.

Mr. NOSEWORTHY: Even the Conservatives did that.

Mr. BLACKMORE: I am not saying they did not.

Mr. ILSLEY: What does that mean?

Mr. BLACKMORE: Take as an illustration the $26,000,000 we talked of last night. In the last war $26,000,000 of new money was created outright by the Department of Finance, and spent, just as though it had been borrowed or as though it had been taxed. The result was the $26,000,000 was definitely added to the revenue of the country, but it was revenue which did not entail a tax on the people and did not create a debt which would go on through generations.

Mr. ILSLEY: The reason why the hon. gentleman takes that $26,000,000 is that at that time there was a gold standard, which was departed from to the extent that that $26,000,000 was created. To-day there is no gold standard, and to the extent that we borrow from the Bank of Canada, as we do to a limited extent, are we not doing exactly what that government did when it issued the $26,000,000?

Mr. BLACKMORE: I think you are going into debt.

Mr. ILSLEY: We are not going into debt when we borrow from the Bank of Canada because we are the Bank of Canada. Therefore, the difference between the hon. gentleman and myself comes down to this, does it not, merely a matter of judgment as to how far we should go in borrowing from the Bank of Canada?

Mr. BLACKMORE: I think so.

Mr. ILSLEY: I think the hon. gentleman does not say we should go the whole length. He does not say we should have borrowed $1,000,000,000 in 1940 and $2,000,000,000 in 1941 and $3,000,000,000 in 1942. He says now he does not mean that, and his party does not mean that. He believes we should go on borrowing otherwise than from the Bank of Canada, which is not borrowing at all but which is the creation of money. He says some money should be created, so the issue seems to have become just a matter of judgment as to degree. That is a very small issue, is it not?

Mr. BLACKMORE: The minister really should be on the other side of the house.

Mr. ILSLEY: I was going to suggest that perhaps we could isolate these other people a little more, and the hon. gentleman might join us.

Mr. BLACKMORE: There is just one point that needs to be stressed right here. Of course this is just on the first fundamental principle of social credit. There are three great principles. The first is the creation of money. The second is the just price, and the government is far, far away from us on that. The third is a policy of financing consumption, and the government is a considerable distance from us on that; in fact it is far away from us on that.

Mr. ILSLEY: What was the first one?

Mr. BLACKMORE: The first one is the creation of money.

Mr. ILSLEY: I think that is reduced to a difference of opinion as to amount. The second one was the just price. That is a matter of a difference of opinion as to what is a just price. The hon. gentleman is advocating high prices all the time. There is nothing very difficult about that. He has a great many friends outside his own party on that. Then the third one was a subsidy to consumers. Well, there again there is nothing very fundamental about that, unless he means that there should be a general subsidy of so much to all consumers, regardless of their need, which I do not believe would be a rational policy.

Mr. BLACKMORE: It may come ultimately. Just to keep the record straight, let us put it in this way. The government's policy, if I interpret it aright as I have listened to it, has been to raise all that can be raised by taxation.

Mr. ILSLEY: Absolutely.

Mr. BLACKMORE: And all that is possible by borrowing.

Mr. ILSLEY: Yes.

Mr. BLACKMORE: Whether or not the government creates any money in addition, I do not know. Social credit goes at it from the other angle. Social credit will say, create all that it is safe to create, and then—

Mr. MacNICOL: Is that not a matter of judgment, too?

Mr. BLACKMORE: Yes.

Mr. ILSLEY: We believe it would be quite unsafe to go any further than we have gone, in view of the danger of inflation. We do not believe we could control inflation by our price-ceiling policy if we went much further in the issue of money, because it would burst the price ceiling. If the price ceiling, by some miracle, should hold, then it would mean the indefinite continuance of the price ceiling after the war, because there would be such a volume of bank credit or currency or both that the removal of the price ceiling would be impossible, because prices would soar so desperately.

Mr. HANSON (York-Sunbury): The whole theory means inflation; it cannot mean anything else.

Mr. ILSLEY: The hon. gentleman denies that his policy means inflation. We argue and believe that it does, if it goes much beyond what we are doing anyway, or probably if it goes at all beyond what we are doing anyway. That is what we believe. We get the best advice we can; we exercise the best judgment we can, and our judgment tells us that we want to withdraw purchasing power from the consumers of this country. We want desperately to do that, because of the terrific upward pressure on the price level if we do not.

Mr. BLACKMORE: I appreciate the minister's position, and I sympathize with him.

Mr. ILSLEY: Excuse me; there is just one more thing. We think the importance of the objective is so great that it is worth paying a price for it, a price we do not like; that is, the increase of internal debt and the increased interest burden on the people. While that does not impoverish the country, because it is merely the payment of money from one set of Canadians to another set of Canadians, either in this generation or in future generations, we do not think that is a desirable thing to do. But we are so much impressed with the dangers of inflation, and with the inevitability of inflation if we depart from the policy that we are following, that we are prepared to pay the price by increasing the interest burden.

Mr. BLACKMORE: I think the minister has put it very well.

I wish to go and discuss the question of inflation. It is quite clear, is it not that the whole discussion is going to centre round what constitutes inflation?

Mr. ILSLEY: No.

Mr. BLACKMORE: We have pretty well reached that point, have we not?

Mr. NOSEWORTHY: That also is a matter of opinion.

Mr. ILSLEY: What constitutes inflation is one point as to which there should not be any disagreement.

Mr. BLACKMORE: The minister would agree, I think, that it comes about as a result of the scarcity of goods as compared with the amount of money in circulation?

Mr. ILSLEY: I mean an increase in prices due to the issuance of money.

Mr. BLACKMORE: Would it not be just as true to say inflation is an increase in price due to the fact that there are less goods than there is money?

Mr. ILSLEY: The hon. gentleman is not logical there; he is ascribing a reason which may be contentious. I thought he was dealing with a definition. I thought he was attempting to describe inflation. I do not think there is any difference between us on that.

Mr. BLACKMORE: There is just this difference. There has been, for a considerable length of time, propaganda going out through the banks in an effort to convey to people the idea that if the government should print a one dollar bill, that is inflation. It is not inflation at all unless there is a rise in price. What we need to do all over the continent of north America in this generation is to get definitely in mind the fact that there is no inflation unless there is a rise in price, and a rise in price does not necessarily occur unless there is a shortage of goods. Once that is granted we are on a basis from which we can reason, and we will go forward during the rest of the period on that basis.

The important thing in dealing with inflation is first of all to increase your production, both in amount and in variety. The next thing is to keep your price down, perhaps by means other than price ceilings, though the price ceiling is one way of keeping prices down. Do I make that quite clear, and does the minister agree with me there?

Mr. FURNISS: What if you have not enough men to create the goods?

The ACTING CHAIRMAN (Mr. Bradette): The hon. gentleman has now spoken for forty minutes, and in addition I have allowed him twenty-five minutes for answering questions and for interruptions.

Mr. DIEFENBAKER: I should like to ask the minister a few questions in connection with this item, because I believe no more important matter will come before the house this session. To-day we find ourselves in this position, that practically our entire economic life has become the monopoly of a board, more or less independent of parliament, with power to put through its own legislation without reference to parliament. The item with which we are dealing has to do with administration, as well as the payment of subsidies. I am not one of those who criticize what has been done. When the matter was first introduced in parliament I criticized the method of its introduction, namely by order in council, regimenting as it did and as it does now the economic life of this dominion. I felt then, and I feel now, that it should have been brought before parliament. But one part of it must be brought before parliament. that is the cost of the subsidies that are being paid in connection with the operation of the plan, and the cost of administration of the price ceiling. Recently I endeavoured to secure some information with regard to these costs. The estimate for the coming year is $50,000,000. That estimate must be based upon the experience that has been gained since the inception of the scheme. On May 28 I asked this question:

What is the total amount that has been disbursed for (a) domestic subsidies, (b) import subsidies since the commencement of price ceiling operations?

The answer was given that the sum of approximately $4,000,000 had been expended to date. Then I asked a further question, and it is necessary to have the answer to that question in order to understand the extent of the expenditures which may be made in connection with the operation of this price ceiling. I asked:

2. What is the total amount as yet unpaid now due or accruing due and for which the government is liable, (a) for domestic subsidies, (b) for import subsidies?

I point out to the committee that while the answer given technically follows the question asked, it is not sufficient for the committee or for the people of Canada. It is as follows:

Importers or other claimants are allowed ninety days in which to file their claims. All claims are carefully examined, and in some cases disallowed, and in others substantially reduced. It is therefore impossible to state what amounts of subsidies are due or accrued at any given date.

That does not necessarily follow. I think we have a right to that information, and I am sure the minister is now in a position to give it. He must now be ready to answer the question: What is the total number of claims filed to date for domestic and import subsidies, and if those claims were allowed, how much would be disbursed? He should be in a position now to give that information. The estimate for the next year is $50,000,000; parliament has a right to that information.

Next I wish to ask the minister one or two questions in regard to enforcement. True enough, the patriotic element enters into the equation. I remember well, along with other hon. members, receiving a letter from the minister dated March 26, 1942, wherein he forwarded to us a copy of an address he had given in connection with the price ceiling. He added these words:

It always worries me when any hon. member makes slighting reference to something our boards have done in enforcing our ceiling policies. I do not want to discourage criticism, but I do want members making this criticism to do so with a deep sense of responsibility.

If the minister asked the members to take that position, he has a right to ask. At the same time, however, he owes a duty to the committee to give full information with respect to possible expenditures during the coming year in connection with subsidies, and also with respect to what expenditures would have been to date on the basis of the claims already filed.

Also, in connection with the $4,000,000 already expended I should like to know the total value of goods purchased in respect of which the operation of the price ceiling has necessitated the paying of subsidies to the amount of $4,000,000 to date. That information would give some indication as to what the expenditures will be during the coming year.

In connection with enforcement I would ask the minister how many prosecutions have taken place since the inception of the scheme. How many prosecutions are anticipated at the present time? How many investigations are now being proceeded with? I do not wish to delay the committee unduly, but I suggest we should have this information.

Mr. ILSLEY: With respect to value, does the hon. member mean the value to the importer or to the consumer?

Mr. DIEFENBAKER: To the importer. If the minister would answer the question I have already asked, I would ask two or three more arising from his answers. I suggest we ought to have that information now.

Mr. ILSLEY: I do not have it here. It would take until Monday to get all this information.

Mr. DIEFENBAKER: Surely the minister is in a position to inform the committee upon what he bases his expenditure for the next year at $50,000,000, in connection with subsidies?

Mr. ILSLEY: I made it clear that it was possible to make an estimate, but I also pointed out that this $50,000,000 is not a close estimate. There is no way of knowing.

Mr. DIEFENBAKER: That is just the point I am making. If you go into the United States you find that economists over there say that during the present year Canada will have to expend $150,000,000 or possibly more than that if it intends to uphold its price ceiling.

Mr. ILSLEY: How do they know?

Mr. DIEFENBAKER: The minister himself cannot give us any indication. He says the basis of experience up to the present time—

Mr. ILSLEY: Yes, I say that.

Mr. DIEFENBAKER: —is not sufficient to say to the house and to the country what the expenditures will be during the coming year.

Mr. ILSLEY: That is correct; I do not know.

Mr. DIEFENBAKER: Can the minister tell us now how much would be expended in settlement of the claims at present before the department?

Mr. ILSLEY: I can get it, but not in fifteen minutes.

Mr. DIEFENBAKER: I asked the question three or four days ago.

Mr. ILSLEY: Not that question.

Mr. DIEFENBAKER: Yes, on the order paper; and it was stood over. I asked the question on June 2, and the Minister of Finance said that it should stand over and is still unanswered. That is one piece of information which the committee has a right to expect, and which it must have if there is to be an intelligent discussion respecting the operation of subsidies.

Mr. BLACKMORE: Would the hon. member permit a question?

Mr. DIEFENBAKER: At the moment I am asking questions. This is one of the most important matters concerning which we must have information. Without it all the discussion respecting social credit and inflation has no purpose at all. This is information the committee wishes to get.

Then, speaking to the leader of the opposition yesterday the minister said the best recommendation for the scheme was the fact that it had been adopted by the United States. The inference was left that the scheme was something new, and that it had been inaugurated for the first time by the Minister of Finance in Canada. The fact is that this is Mr. Bernard Baruch's scheme. It was recommended a long time ago in the United States, and was never adopted. It preferred the Henderson scheme.

Mr. ILSLEY: I did not say I invented it.

Mr. DIEFENBAKER: But the minister left the impression that this was his own scheme, and that any criticism of it was answered by the fact that it had been adopted by the United States.

The Baruch scheme sets out certain things which must be done in order to make the scheme a success. He says that prices, rents, wages, commission fees and interest rates—in short the price of every item of goods or services should not be permitted to rise above the maximum of that date. They should fluctuate below this ceiling.

Mr. ILSLEY: Then our scheme is not the same as the Baruch scheme.

Mr. DIEFENBAKER: Just a moment; I was coming to that. Everything was adopted, with the exception of that part relating to interest rates. Would the minister explain why that particular part of the scheme was not followed?

Mr. ILSLEY: Does the hon. member want an answer now?

Mr. DIEFENBAKER: Yes.

Mr. ILSLEY: The reason is that the risk varies so greatly that we did not think we could put a price ceiling on it. Money is worth 6 per cent when it is lent on one class of risk and only 3 per cent when it is lent on another. You cannot do that unless you made it 10 per cent, 24 per cent or something like that. You could have a ceiling such as that, but it would completely prevent lending in many places where lending should take place. I may say that the matter was not overlooked.

Mr. DIEFENBAKER: Generally speaking, I think the discussion this afternoon has been far removed from the item before the committee. I believe it was suggested by the minister last November that managerial

and executive salaries, directors fees, et cetera, would be controlled. Have they been controlled?

Mr. ILSLEY: They certainly have.

Mr. DIEFENBAKER: Is there complete control in that regard?

Mr. ILSLEY: As complete as we can make it without a terrible upset. Nothing has given us more trouble in our ceiling policy than our determination to control salaries. The hon. member heard what was said last night by the hon. member for St. Paul's (Mr. Ross). We have set up a salary controller and provided a board headed by Mr. Justice Hyndman to advise him. We have put an enormous amount of work on drafting orders in council and amendments to orders in council for the purpose of controlling salaries.

Mr. DIEFENBAKER: What is the control over directors' fees?

Mr. ILSLEY: The order in council reads:

Unless otherwise permitted by paragraphs 3, 4 and 5 hereof, no employer shall, on or after November 7, 1941:

(c) pay fees to a director of a company at a rate in excess of the rate of fees paid to such director in the twelve months ending November 6, 1941, provided, however, that a newly appointed director of a company may be paid fees at the same rate as that paid to other directors of the said company during the twelve months ending November 6, 1941, and the payment thereof to such newly appointed director shall not be regarded as an increase in the salary of the said director for the purposes of this order.

Mr. DIEFENBAKER: Can the minister give an estimate of how much has been expended to date for subsidies, assuming that all claims that have been filed are paid in full? Surely that estimate could be given within one or two million dollars.

Mr. ILSLEY: The amount paid up to and including the week ended June 2, 1942, was $4,482,308.88. There were 9,039 claims filed, of which 7,746 were for milk. The secretary of the board tells me that claims are paid promptly. The hon. member wanted an estimate of the amounts that have not been paid to date?

Mr. DIEFENBAKER: Yes.

Mr. ILSLEY: It would be most unsatisfactory to make an estimate.

Mr. DIEFENBAKER: Can the minister give one within a million dollars?

Mr. ILSLEY: The secretary tells me that it would be less than a million dollars.

Mr. HANSON (York-Sunbury): Cotton goods are under the price ceiling, but we all know that the cotton companies are faced with having to replace their stocks of raw cotton at greatly increased prices. I am not certain, but I believe cotton has gone up to 18 cents a pound in the United States.

Mr. ILSLEY: That much at least.

Mr. HANSON (York-Sunbury): This means that the cost is doubled as compared with the cost of cotton that was fabricated before the ceiling went into effect. Subsidies on this will run into the millions.

Mr. ILSLEY: It depends upon the arrangements made with the cotton companies.

Mr. HANSON (York-Sunbury): These companies import millions of pounds every year, and the consumption of cotton textiles will certainly not decrease. The needs for the army may be decreased slightly if the summer uniforms have been. Will not this one item run into millions of dollars?

Mr. ILSLEY: If we had to pay the difference between the present cost of cotton and that paid for goods sold during the basic period, it would amount to a considerable amount of money. If the hon. gentleman will look up the speech I made on subsidies, which I mentioned last night, he will see that there is a limiting factor. We will not subsidize a company into the excess profits tax category. This means that the Canadian companies will have to bear a large part of the additional cost.

Mr. HANSON (York-Sunbury): The intention is to squeeze them. I do not know whether that is the right word to use.

Mr. ILSLEY: That is the word we use.

Mr. HANSON (York-Sunbury): That means they will have to reduce production.

Mr. ILSLEY: Oh, no; their profits will be reduced.

Mr. HANSON (York-Sunbury): This resolution has been before the committee for a long time, and I am going to suggest that the resolution be reported in order to permit the minister to introduce his bill. However, the minister should give us an undertaking that on the committee stage of the bill, or when any estimates are before us, full opportunity will be permitted hon. members to ask questions. This would be particularly necessary in connection with those departments which have not been covered fully, such as the Department of Labour which has just been touched upon in this series of interrogatories. I hope the committee will adopt this suggestion.

Mr. ILSLEY: I am much obliged for the suggestion, and I will give the undertaking asked for. If any member wishes to ask any question on the bill, he may.

Mr. MacNICOL: On any one of these departments?

Mr. ILSLEY: He is entitled to that privilege in any event.

Mr. MacINNIS: He is entitled to much more than that.

Mr. BLACKMORE: I should like to support the leader of the opposition's proposal, provided we are given complete liberty to discuss these matters. I think the matter we have been discussing is the most vital matter that has been discussed.

Mr. ILSLEY: If I understand the rules correctly, hon. members will have the right, under the section of the bill which grants $2,000,000,000—it is really $1,500,000,000—to enable the government to defray the expenses of the war, to discuss all the expenses of the war.

Mr. HANSON (York-Sunbury): The only limitation that there might be on that is the interpretation which the chairman of the committee of the whole might place upon it. The minister knows that at times he is rather restrictive. I think the minister ought to undertake that there will be full discussion on the committee stage of the bill.

Mr. ILSLEY: I will undertake that. I do not see how the chairman could rule otherwise under that section.

Mr. MacNICOL: Let me be clear. Later on, when a bill is before the house, if I want to ask a question under the item, surveys and engineering branch, shall I be at liberty to ask a question about any amount mentioned under aids?

Mr. ILSLEY: Is the hon. member talking about non-war estimates?

Mr. MacNICOL: On the war appropriation.

Mr. ILSLEY: On anything in the war appropriations, he may ask.

Mr. MacINNIS: I admire the generosity of the leader of the opposition and the leader of the New Democracy group. But my hon. friends monopolized most of the time available for discussion this afternoon. The hon. member for Cape Breton South has been waiting here for a number of days with something which he wishes to raise, and, being a man of polite instincts, he always allowed other people to get ahead of him. If we could continue for about ten minutes this afternoon and allow him to introduce the point he has in mind, we would be glad to let the matter go as was suggested by the leader of the opposition.

Mr. HANSON (York-Sunbury): Do not attribute to me any time killing. I have not killed any time this afternoon. I think the Prime Minister took up all the time on other matters. But if any hon. gentleman objects to this procedure, he certainly has the right to do so, in order to hold this up. I was not speaking for anybody but my own group.

Mr. ILSLEY: With regard to anyone getting ahead of the hon. member for Cape Breton South, I never heard of anyone that did. I am afraid that he may introduce something which requires some answer.

Mr. QUELCH: Some of us are supposed to leave at six o'clock to meet some people outside.

Mr. GILLIS: I do not wish to detain the committee. This matter which I have to bring to the attention of the minister has to do with the administration of the fuel control board, which comes under the wartime prices and trade board, and a portion of this appropriation is for their administration. I will be brief and explicit.

I think that organization, the fuel control board particularly, has wholly fallen down on the job and there is a serious situation developing in Canada as regards fuel. The Minister of Munitions and Supply (Mr. Howe) made the statement to the house that oil for domestic purposes is to be curtailed and that consumers of oil have to tighten their belts.

Mr. HANSON (York-Sunbury): That was a little premature, was it not?

Mr. GILLIS: Then Mr. Stewart, in a statement on June 3, points out that the coal situation in the United States is serious and that Canada depends for 60 per cent of her consumption on the United States. There is a long statement in the Ottawa *Journal* of May 4, to the effect that possibly coal will have to be rationed. Coal is an essential war commodity. The situation has become so serious in Britain that they have nationalized the industry and taken it over. In the face of the fuel controller making such statements, and the Minister of Munitions and Supply stressing the seriousness of the situation with respect to oil, we find in the east and in the west coal mines being closed or put on short time. The public is wondering about this.

What I should like to bring specifically to the minister's attention is this statement released from Nanaimo, British Columbia, and printed in the *Canadian Tribune* of this week. I am going to read it for the minister's information, because in the back of my mind for the past two years I have had the definite belief that most of the trouble we have experienced in the mining industry was organized behind the scenes by an unseen influence, and the miners have suffered the consequences:

Declaring he had uncovered a situation that was "unbelievable until he investigated," John Stokaluk, District 18 vice-president of the U.M.W.A., charged at a meeting of several hundred coal miners here that oil interests were trying to slow production in Vancouver island coal mines.

Stokaluk flew to Nanaimo following walkouts of workers in two mines. The miners' action was taken after crude unsigned pencilled notices had been posted up and Stokaluk made the direct charge that certain members of the union local were being paid to stir up trouble.

I believe that, because I have gone through similar situations.

"There is plenty of coal," he said, "but the oil interests are trying to show the people of Canada and the government that this coming winter there will be a shortage of coal and miners.

"The more strikes and shortages we have the better for the oil interests," he added.

Stokaluk told the meeting that provided the miners' legitimate grievances were properly adjusted, Vancouver island mines can supply 800,000 tons of coal a year, sufficient to meet market requirements.

Demanding immediate action to settle these legitimate grievances, he declared "that the union would fight any unpatriotic efforts, oil or other interests might make to interfere with coal production.

I know that during the past two years there have been serious upheavals in the mining industry in Nova Scotia; and, knowing that situation very well, I have time and time again come to the conclusion that interests other than the miners were the cause of 75 per cent of the trouble which has taken place since the outbreak of war. I bring this to the minister's attention specifically. I believe that the charges made by Stokaluk in Nanaimo, should be examined by this government, and examined immediately, either through the fuel control board or through someone else. If it is true that the oil interests of this country, thinking in terms of after the war, are deliberately sabotaging the coal industry and preventing its expansion at this time in order that they may build up in Canada a market for oil in the aftermath of this war, and a continuation and expansion of their own industry, it is time that we found out.

These are specific charges as carried in the public press. If they are true in respect of British Columbia, they are true of other parts of Canada. A few days ago the executive board of the miners of Nova Scotia was notified by the heads of the coal companies that from now on the mines of Nova Scotia would be on short time. It is only a few months ago that the press carried full-page statements from the same coal company, when there was an upheaval there which was not, in my opinion, organized by the men, characterizing these men as saboteurs. To-day the companies themselves are sabotaging the industry, and it is time that the people of Canada, through the medium of their responsible elected officials, came to an understanding as far as this industry is concerned.

Mr. ILSLEY: Well, Mr. Chairman, the hon. gentleman says that the companies are sabotaging the industry, and, he fears, at the instance of their competitors, the oil people.

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

Mr. GILLIS: That is the direct charge made by district 18 vice-president of the United Mine Workers' Association in British Columbia. He said that after investigation "he had uncovered a situation that was unbelievable", and he charged directly that the oil interests of Canada are sabotaging the mines. John Stokaluk has information of that kind at his disposal; that information should come to the government and something should be done about it.

Mr. ILSLEY: May I say right now that if he will forward his information, it certainly will be investigated. I am doubtful whether there is anything definite about that. On what occasion did he make his speech, or in what form?

Mr. GILLIS: Apparently, according to this statement, he was summoned to Nanaimo, where the mines are on short time or idle. He flew there and, addressing a mass meeting of the miners, he makes these charges. But what I am concerned about is the possibility of rationing fuel this winter. There is no oil available. The mines east and west are on short time, while the fuel controller, Mr. Stewart, is warning the people of central Canada that coal will have to be rationed. It is about time we found out why mines should be idle in such a situation.

Mr. ILSLEY: I will bring the remarks of my hon. friend to the attention of the coal administrator, and if the gentleman in Vancouver has definite information, the matter will be taken account of, if the charges and

statements are definite enough, and are based on anything except hearsay or surmise. I do not know much about the coal situation, but I am told there is a transportation bottleneck in regard to coal. That may or may not be so. I shall have to get further information.

Mr. BLACKMORE: I should like to know whether such matters as these, which affect inflation and price ceiling, may be discussed later on. Will it be in order to deal with these questions when we come to the discussion which the leader of the opposition has indicated?

Mr. ILSLEY: Yes. I want to make it clear that the resolution about to be reported is the resolution as amended. There was a $500,000,000 reduction carried one night.

Resolution as amended reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 95, for granting to his majesty aid for national defence and security.

Motion agreed to and bill read the first time.

On motion of Mr. Crerar the house adjourned at 6.16 p.m.

Monday, June 8, 1942

The house met at three o'clock.

THE KING'S BIRTHDAY

RESOLUTION EXTENDING GREETINGS AND GOOD WISHES TO HIS MAJESTY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, to-day having been set apart as the day for the official celebration of the birthday of His Majesty the King, I feel sure that hon. members would welcome an opportunity to extend their greetings and good wishes to His Majesty in the form of a resolution of the House of Commons. I have prepared a resolution and have shown it to my hon. friend the leader of the opposition (Mr. Hanson), who has kindly consented to second it as worded. I would therefore move, seconded by Mr. Hanson:

That, on this, the occasion of the official celebration in Canada of the birthday of His Majesty, King George VI, a humble address be sent to His Majesty in the following words:

"To the King's Most Excellent Majesty:

Most Gracious Sovereign:

We, the members of the House of Commons of Canada, in parliament assembled, desire respectfully to extend our loyal and heartfelt greetings to Your Majesty on this day set apart for the official celebration in Canada of Your Majesty's birthday.

[Mr. Ilsley.]

At this time when, throughout the world, freedom itself is at stake. Your Majesty's calm courage, steadfast faith and active service have been an inspiration to your own peoples and to those of other nations joined in the common struggle.

It is our united prayer that, throughout these days of supreme trial, Divine Providence may continue to protect and guide Your Majesty, and that until the day of ultimate triumph and for many years thereafter, you may be given the strength to bear the great burdens which war has already created and may continue to impose.

With one voice we join to-day, as never before, in the words:

God save our gracious King,
Long live our noble King,
God save the King:
Send him victorious,
Happy and glorious,
Long to reign over us:
God save the King."

I would suggest that this resolution might be supported by the singing of the national anthem.

Hon. R. B. HANSON (Leader of the Opposition): I have the greatest possible pleasure in seconding the resolution, which I am sure will be carried unanimously with one single voice in this house, and will reecho from shore to shore in Canada from all loyal people of this country.

Motion agreed to.

Whereupon the members of the house rose and sang

God Save the King

PRIVATE BILLS COMMITTEE

First, second and third reports of standing committee on miscellaneous private bills.—Mr. Donnelly.

ALBERTA NATURAL RESOURCES

AMENDMENT OF TRANSFER AGREEMENT RESPECTING ROYALTIES ON OIL PRODUCTION—CORRESPONDENCE

Hon. T. A. CRERAR (Minister of Mines and Resources): When the bill for the amendment of the Alberta Natural Resources Act was before the house some little time ago it was suggested that any correspondence relating to it should be brought down. I table now as a return all the correspondence that is available. There is nothing very much new in the correspondence beyond what I stated when the measure was under consideration in the house.

Hon. R. B. HANSON (Leader of the Opposition): I should like to ask the minister what he means by "available". Are there any limitations?

Mr. CRERAR: Certain representations did reach me not directly but through second hands. These are not included in the return, because the consent of the person who originally sent the correspondence would have to be obtained.

Mr. HANSON (York-Sunbury): By letter?

Mr. CRERAR: By letter. But practically the same thing is contained in the correspondence that reached our office through the oil controller, Mr. Cottrelle.

Mr. HANSON (York-Sunbury): That is a different matter.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

GASOLINE RATIONING—BRITISH COLUMBIA—BOND SALESMEN

Mr. CRUICKSHANK:

1. How many category C gasoline licences have been issued to bond salesmen by the British Columbia regional control office?

2. What are the names of any bond salesmen now holding category C licences in British Columbia and what firms do they represent?

Mr. HOWE: It is very difficult to answer this question. The regional offices have a very small staff, and it would be practically impossible to copy the data and file it here without considerable additional staff. Another difficulty is that it is not easy to know from the records which men are bond salesmen and which are not. The records of course do not disclose whom they represent. I ask that the question be dropped.

Mr. SPEAKER: Dropped.

PRICE CEILING SUBSIDIES—APPLE AND TOMATO JUICE

Mr. CRUICKSHANK:

1. Under what terms is the subsidy being paid on the domestic production of, (a) apple juice, (b) tomato juice?

2. What amounts have been paid in each month since the subsidy began on, (a) apple juice, (b) tomato juice?

Mr. ILSLEY:

1. (a) and (b). Under administrator's order A-44 of the wartime prices and trade board which affects canners' inventories of certain domestic canned fruits and vegetables 1941 pack on hand at the close of business on March 31, 1942, including apple juice and tomato juice, the maximum price at which any canner may sell these products, excluding goods invoiced but not delivered, on and after April 1, 1942, is the lowest f.o.b. cannery price actually charged by the canner in 1941 prior to October 12. Subsidy is paid to such canner to the extent of 80 per cent of the amount by which his lawfully established ceiling price during the basic period exceeds his revised maximum selling price. Subsidy will be paid to the wholesalers in respect of their inventories of such products at the close of business on March 31, 1942, on the basis of the amount by which the canner's selling price of such products to the manufacturer exceeds such canner's revised maximum selling price of such products.

2. (a) and (b). No claims have been finally settled to date.

BRAN, SHORTS AND SCREENINGS

Mr. CRUICKSHANK:

1. What was the price, f.o.b. Vancouver, at September 30, 1939, of, (a) bran, (b) shorts, (c) screeenings?

2. What was the price of No. 1 wheat, f.o.b. Vancouver, at September 30, 1939?

3. What was the price, f.o.b. Vancouver on May 30, 1942, of, (a) bran, (b) shorts, (c) screenings?

4. What was the price of No. 1 wheat, f.o.b. Vancouver, at May 30, 1942?

Mr. MacKINNON (Edmonton West):

1. Prices of feed per ton, f.o.b. Vancouver, September, 30, 1939: Bran, $23.30; shorts, $25.30; elevator screenings, $5.

2. Publication of wheat prices at Vancouver ceased after the outbreak of war and has not been resumed.

No. 1 Manitoba northern wheat, per bushel, Fort William and Port Arthur cash basis, September 30, 1939, 71 cents.

3. Prices of feed per ton, f.o.b. Vancouver, May 30, 1942: Bran, $29.80 (a); shorts, $30.80 (a); elevator screenings, $5.

(a) Includes $6 per ton freight subsidy.

4. No. 1 Manitoba northern wheat, per bushel, Fort William and Port Arthur cash basis, May 30, 1942. 79½ cents.

TRANSPORT CONTROL—QUEBEC PROVINCE

Mr. RAYMOND:

1. What is the name of the regional controller of transport for the province of Quebec?

2. When was he appointed and by whom?

3. Is he familiar with both languages?

4. In the province of Quebec what are the relative proportions of French-Canadian and English-Canadian truck drivers, respectively?

Mr. HOWE: I think this question is wrongly worded. There is no regional controller of transport for the province of Quebec. Perhaps it refers to an administrator in the wartime prices and trade board. I would ask that the hon. member reword the question.

Mr. SPEAKER: Dropped.

DUFFERIN CONSTRUCTION COMPANY CONTRACT

Mr. FRASER (Peterborough West):

1. Was a contract let to the Dufferin Construction Company for paving the yard of the Dufferin Shipbuilding Company?
2. If so, what class of pavement was used?
3. What was the price paid per yard?
4. What was the contract price?
5. Were tenders called for the work?
6. If so, was the contract let to the lowest tenderer?

Mr. HOWE:

1. Yes, a contract was awarded by Toronto Shipbuilding Company Limited (ex. Dufferin Shipbuliding Company) to the Dufferin Construction Company.

2. Bituminous pavement on stone base.

3. The contract was placed on a cost per ton basis, laid, rolled and completed the contractor to supply all material. It is not the policy of the department to give unit prices.

4. Payment is to be made on a quantity-used basis. The amount payable is not yet determinable because the job is not completed.

5. Yes.

6. Yes.

CANADIAN ARMY—INFANTRY—BATTLE AND WALKING-OUT DRESS

Mr. GAUTHIER:

1. Does the Department of National Defence issue two battle dress uniforms to each man in the infantry?
2. If so, at what cost?
3. Is a walking-out dress supplied to each man in the infantry?
4. If so, what is the cost of such uniform?
5. Does the department issue a summer uniform to each infantryman?
6. If so, at what cost?

Mr. RALSTON:

1. At the present time two suits of battle dress are issued to each infantryman. One of these is new and the other a part worn suit.

2. The cost of one new suit of battle dress is $11.18.

3. A walking-out uniform will be issued to each infantryman at the close of the summer season when the wearing of the summer uniform is discontinued. At such time, one suit of battle dress will be withdrawn from personnel.

4. The cost of a walking-out uniform is $14.39.

5. Yes.

6. The cost of a summer uniform is $5.56.

[Mr. Speaker.]

GASOLINE RATIONING—MARITIME PROVINCES—RAILWAY SERVICES

Mr. PURDY:

In view of the gasoline situation in the maritime provinces, will the government take immediate steps towards having the railway passenger services discontinued in these provinces during the past few years, reinstated at once?

Mr. HOWE: This question refers to a matter of internal management of the railway, over which the government does not exercise control.

Mr. SPEAKER: Dropped.

DEFENCE OF CANADA REGULATIONS—NEWSPAPER CENSORSHIP

Mr. DENIS:

1. What are the names and places of issue of the newspapers, magazines and other Canadian publications which have been convicted since the beginning of the war under the defence of Canada regulations bearing on censorship?
2. What was the sentence in each case?

Mr. ST. LAURENT:

1. (a) The *Citzen,* Ottawa; (b) *Le Droit,* Ottawa; (c) The *Vancouver Sun,* Vancouver.
2. (a) Case dismissed; (b) Guilty on two charges. Fine of $200 imposed; (c) Guilty on one charge. Fine of $300 imposed.

OTTAWA NAVAL SERVICE BUILDING

Mr. SENN:

1. Who was awarded the contract for the construction of the naval service building on Cartier square in the city of Ottawa?
2. What is the estimated cost of this building?
3. Were tenders called for the construction of this building?
4. If so, what are the names of each tenderer and the amount of each tender?
5. When is it anticipated that this building will be completed?

Mr. HOWE:

1. Hill-Clark-Francis, New Liskard, Ontario.
2. $723,677.
3. Yes.
4. Four tenders were received and the lowest tenderer was awarded the contract. Other tenderers and their quotations are: A. I. Garvock, Ottawa, $745,000; Pigott Construction Co., Hamilton, $751,000; Johnson Bros. Co., Ltd., Brantford, $763,888.
5. August 23, 1942.

KENNETH ZINCK

Mr. SENN:

1. Has Kenneth Zinck been appointed to a position in connection with the purchase of horses in the maritime provinces, or has he been granted a commissioned rank for this or other purposes?

2. If the latter, what rank does he hold, and have any assurances been given to him of an early promotion?
3. What salary and/or pay and allowances does he receive?
4. What are his qualifications and past experience?
5. What are the particular duties for which he has been appointed or granted a commissioned rank?

Mr. RALSTON:

1. No.

2, 3, 4 and 5. Answered by No. 1.

ADVISORY COMMITTEE ON DEMOBILIZATION AND REHABILITATION

Mr. FAIR:

1. What are the names of the members of the general advisory committee on rehabilitation?
2. By whom was each member recommended?

Mr. MACKENZIE (Vancouver Centre):

1. Interdepartmental general advisory committee on demobilization and rehabilitation:

Chairman, Brig.-General H. F. McDonald, C.M.G., D.S.O., Chairman of the Canadian Pension Commission.

Vice-Chairman, W. S. Woods, Esq., associate deputy Minister of Pensions and National Health.

C. H. Bland, Esq., Chairman of the Civil Service Commission.

Dr. Bryce Stewart, Deputy Minister of Labour; or alternate.

K. M. Cameron, Esq., Chief Engineer, Department of Public Works.

Colonel E. A. Deacon, Director of Auiliary Services, Department of National Defence.

Major-General H. F. G. Letson, M.C., E.D., Adjutant-General, Department of National Defence.

Air Commodore A. Sully, Department of National Defence for Air.

Paymaster Captain J. O. Cossette, Department of National Defence for Naval Affairs.

Dr. R. E. Wodehouse, Deputy Minister of Pensions and National Health.

Dr. W. C. Clark, Deputy Minister of Finance, or alternate.

Dr. G. S. H. Barton, Deputy Minister of Agriculture, or alternate.

Dr. S. A. Cudmore, Dominion Statistician.

2. Recommended by respective ministers of departments concerned.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ACADIA SUGAR REFINING PLANT, DARTMOUTH, N.S.

Mr. ISNOR:

1. What action has the government taken with regard to the closing of the plant, Acadia Sugar Refining Company at Dartmouth, Nova Scotia?
2. What steps has the government taken in respect to the men, numbering about 200, who will be thrown out of work?
3. Will the government take steps to investigate the cause of the closing of this plant?

Mr. HANSON (York-Sunbury): Why is this question made an order for return? It seems to me a simple matter. It applies I assume to the minister's department.

Mr. ILSLEY: If it does I can answer it, but I do not know that it does. It makes necessary a canvass of the departments to see what action was taken, if any.

USE OF CANADIAN CEREALS IN PRODUCTION OF SYNTHETIC RUBBER

Mr. FAUTEUX:

1. Have scientific investigations been carried on by the Department of Trade and Commerce as to the possibility of utilizing Canadian grown cereals to produce butadiene which is used in manufacturing synthetic rubber?
2. Has the Department of Trade and Commerce made scientific research into the possibility of producing alcohol, rubber, starch and other commodities from certain farm products?
3. If such research has been carried out, was a report made to the Department of Munitions and Supply thereon?
4. Has the department caused research to be made into the possibility of converting certain Canadian grown cereals into products necessary to our war effort by, (a) companies engaged in distributing petroleum and rubber in Canada, (b) the Department of Munitions and Supply, (c) the National Research Council?

UNEMPLOYMENT INSURANCE COMMISSION

Mr. RAYMOND:

1. When was the unemployment insurance commission appointed?
2. What is the proportion of French-Canadian employees contributing to the unemployment insurance fund?
3. How many contributors has the commission in, (a) Ontario, (b) Quebec, (c) maritimes, (d) prairie provinces, (e) British Columbia?
4. What is the total of the contributions collected in each of the districts named?
5. How many inspectors of unemployment insurance are there in each district and what are their names?
6. How many employees, permanent and otherwise, are there in the head office at Ottawa, including the commissioners, whose salaries exceed $3,000 per annum?
7. How many persons constitute the advisory committee and what are their names?
8. How many members compose the national committee on employment, and what are their names?
9. How many compose the committee on the holdings of the insurance investment fund and what are their names?
10. Is the English minority of Quebec represented on the district bureau of the province of Quebec by a deputy assistant district superintendent?
11. If so, who is he and what are his duties?
12. Have French Canadians in the other districts similar representatives? If so, what are their names?

MILITARY SERVICE—REGISTRATION CARDS

Mr. CASTLEDEN:

1. What steps have been taken prior to May 15, 1942, to ascertain that the cards of all single persons, widowers, divorced and legally separated male persons, without dependents, between the ages of 19 and 45 at the time of registration, are in the hands of the divisional registrars?

2. Has any check relative to these cards been made between the central registry at Ottawa and the duplicates which were forwarded to the divisional registrars?

MAN-POWER ACCORDING TO AGE CLASSES—ENLISTMENTS, POSTPONEMENTS, REJECTIONS, ETC.

Mr. DIEFENBAKER:

1. How many, (i) single men or widowers without children, (ii) married men or widowers with children, of the following inclusive age-groups, (a) 18-20, (b) 21-24, (c) 25-30, (d) 31-35, (e) 36-40, (f) 41-45, were there in, (1) each province, (2) each military district, (3) each administrative division, at the time of the national registration?

2. How many men, by (a) provinces, (b) military districts, (c) administrative divisions, have attained the age of 21 years since the national registration?

3. How many men in the said groups, by provinces, military districts and/or administrative divisions, have (a) enlisted voluntarily in (1) the navy, (2) the army, (3) the air force; (b) been called up for service under the National Resources Mobilization Act; (c) been found unfit after medical examination; (d) applied for postponement of military training; (e) been granted postponement of military training; (f) actually been accepted for service at basic training centres; (g) are engaged in industry, agriculture or are otherwise gainfully employed?

4. Has a survey been made by the government with a view to ascertaining how many men are still available for military service in each of the foregoing classes?

5. If so, who made the survey, and when was it made?

6. How many men were estimated to be still available for military service by provinces, military districts and/or administrative divisions in each of the said age-groups?

Mr. THORSON: Some of this information is not available. It may not be possible to give some of it by military districts, because the boundaries of the military districts do not coincide with those of the provinces or of the administrative divisions. With regard to subquestion 3 (a), it would take a great deal of time to get the information as to voluntary enlistments by age groups. As to 3 (c), I am not sure that it will be possible to obtain the information with regard to persons who have offered themselves for service and have been rejected. With regard to 3 (g), so far as I can gather, that information is not available in the form requested. Subject to these observations the question might stand as an order for return.

[Mr. Raymond.]

BILLBOARD ADVERTISING BY GOVERNMENT AGENCIES

Mr. MacINNIS:

1. How many departments, boards or other agencies of the government have made use of billboard advertising in the past twelve months?

2. What was the nature of each of these advertising campaigns, the dates for which billboards were used, the amount of money expended for the rent of the boards and production of the posters, and the total number of billboards rented?

3. Through what advertising agencies have these campaigns been placed?

4. Is there any administrative control to avoid overlapping of billboard advertising campaigns by government departments?

5. If so, what is the name of the official responsible?

MERCHANT MARINE—WAGES, PENSIONS AND DEPENDENTS' ALLOWANCES

Mr. MacLEAN (Cape Breton North-Victoria):

1. Are pensions being paid to the widows and dependents of men who lost their lives while serving in the merchant marine, (a) on ships of Canadian and British registry; (b) on ships of foreign registry engaged in taking supplies to the united nations?

2. What is the monthly wage paid to an ordinary seaman on ships of Canadian registry?

3. Is any dependents' allowance paid to the wives or dependents of said seamen?

GASOLINE AND TIRE RATIONING—BREWERS AND DISTILLERS

Mr. DOUGLAS (Weyburn):

1. In what classification do brewers' and distillers' trucks and trailers come, under the regulations governing the supply of gasoline and tires?

2. What restrictions, if any, have been placed on the transportation of alcoholic liquors by truck, up to the present time?

3. What materials used by the brewing and distilling interests have been rationed and to what extent?

PURCHASE OR CHARTER OF GREAT LAKES VESSELS

Mr. MacNICOL:

1. What is the name and tonnage of each of the steamers, ships, boats or other vessels operating, or which have operated, on the great lakes which have been (a) purchased, (b) chartered by or for the government of Canada from the outbreak of war to date?

2. From what persons, firms or companies was each of the said vessels, (a) purchased, (b) chartered?

3. In the case of vessels, (a) purchased, (b) chartered from companies, what is the name of the president, the general manager and/or managing director of each such company?

4. What was the total purchase price paid by the government for each such vessel purchased?

5. What were the terms of payment contained in the charter party of each such vessel chartered?

6. What was the purchase price paid by the owner of such vessel for such vessel on the last transfer of ownership prior to its acquisition by the government?
7. Were any agents employed in connection with the (a) purchase, (b) chartering of any of the said vessels?
8. If so, what are the names of such agents and what was the total commission or other remuneration paid to each such agent in respect of the purchase or chartering of each vessel?

GASOLINE

REDUCTION IN VALUE OF RATION COUPONS IN MARITIME PROVINCES

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): In view of the gasoline situation in the maritime provinces; in view of the number of questions on the order paper with regard to this matter; in view of the agitation which is still going on in those provinces, and especially in view of a statement issued by the premier of New Brunswick, a copy of which I sent to the Minister of Munitions and Supply this morning, is the minister in a position to make any statement that will allay the anxiety, if that is the proper term to use, of the people in that part of the country, and give them some reassurance that the so-called discrimination—that is not my term, but it is the expression used by friends of hon. gentlemen opposite—against the maritime provinces will be removed? Personally I think I understand the situation, but I should like the people of the maritime provinces to be convinced. They are not being reassured by certain persons both in New Brunswick and in Nova Scotia, and this ought to be done as soon as possible. I understand the old game down there, which is to stir up antipathy toward the central part of Canada, and it is not a creditable performance. I know that is a dangerous thing for me to say, coming from the province of New Brunswick. If the minister and the oil controller will give the people of eastern Canada a little more factual information, the maritime provinces will loyally accept the situation; but they have to be shown.

Hon. C. D. HOWE (Minister of Munitions and Supply): My hon. friend will appreciate that I cannot state the stocks of fuel oil for the navy and air force; that certainly would be information of value to the enemy. I can say, in reference to gasoline, that the cracking at the Halifax refinery necessarily must be for the maximum recovery of fuel oil. With regard to gasoline under the two-gallon ration, up to June 1 we actually slipped behind on our stock position; in other words we did not make or import as much gasoline as was consumed under the two-gallon ration. However, the outlook for the future has improved considerably. We have been given some help in the matter of tankers by the maritime commission, and I can say that the situation certainly will not get worse and I believe will improve. Just as soon as the position warrants, of course we will increase the coupon value. As I have said many times, the purpose of coupon rationing is simply to distribute available supplies of gasoline fairly, and rationing will continue to be used for that purpose.

Mr. HANSON (York-Sunbury): Is the minister able to give any indication as to when the full coupon value will be restored? An assurance on that point would be well received. While I am on my feet I should like to add something I intended to say previously. The whole position down there has been stirred up by one big dealer, who apparently found himself in possession of very large supplies of gasoline. He is stirring up all this agitation, and the minister knows to whom I refer.

Mr. HOWE: Well, Mr. Speaker, of course I cannot say whether the coupon ever will be restored to its original value, but I do think the situation will improve, and if it is possible to restore the full value, certainly we shall do so. I think there will be an improvement before the end of the current month.

Mr. J. J. KINLEY (Queens-Lunenburg): With regard to the matter of gasoline and oil, may I say to the minister that there is an impression in well-informed circles on the coast that the supply of oil may be restricted because of the freight rates on the product with respect to which the price is controlled. Is there anything in that impression?

Hon. C. D. HOWE (Minister of Munitions and Supply): No, the excess cost of moving gasoline to the maritime provinces is being borne by the government. The movement to date has involved excess costs, which are being absorbed at the present time by the government, and the cost of the movement is not curtailing the supply in any way.

HONG KONG COMMISSION

OPPORTUNITY FOR DISCUSSION OF REPORT—REQUEST FOR TABLING OF EVIDENCE

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): In view of the presentation of the report on the Hong Kong expedition; in view of statements made by the counsel engaged by the official opposition to present the case to the

commission, and in view of the statements appearing in the public press, will the Prime Minister set aside an early date when this report may be discussed in this house, and in the meantime table the evidence taken before the commission?

Right Hon. W. L. MACKENZIE KING (Prime Minister): First with respect to the evidence taken before the commission, on Friday last the leader of the opposition (Mr. Hanson) asked if it would be possible to have that evidence tabled. At the time I replied that I did not think it would be possible, for the reason that the hearing was held in private in order, as my hon. friend and others will understand, that matters which would be of real interest to the enemy should not be publicly disclosed. If it had been the intention to have the evidence made public, the commissioner, the Right Honourable the Chief Justice, would without doubt have sent copies of the evidence along with his report. The report itself has been tabled and of course is now before the house. As hon. members are aware, the report itself is being printed, and hon. members will wish to have it in their hands before any discussion takes place. As to setting apart a day for the consideration of the report, I shall be pleased to see that some arrangement is made; but first of all I would wish to consider some other matters relating to the question of an immediate discussion of the report. I am going to say a word in a moment with regard to business already before the house. I must take some account of the order in which matters are discussed in parliament. Before we begin the discussion of any new subject I feel we should if possible conclude the discussion of two subjects in particular. One is the bill relating to national defence and security, the resolution preceding which was before the house for some time. The other is Bill No. 80, which has to do with the amendment of the National Resources Mobilization Act.

BUSINESS OF THE HOUSE

MOBILIZATION ACT AMENDMENT—ORDER OF PROCEEDINGS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should like to say just a word in regard to the order of proceedings. I noticed that at the time of adjournment on Friday last a question was raised as to exactly when the government would proceed with the second reading of Bill No. 80. Questions on this point have been addressed to me at two or three previous sittings, and each time I have replied that the government would wish to conclude with the measure which was then before the house, the resolution dealing with the war appropriation, before taking up Bill No. 80. I had in mind three considerations in particular in stating that we would proceed in that order. The first was the advisability of not confusing the discussions, by having debates a part of the time on the amendment to the National Resources Mobilization Act and a part of the time on the war appropriation measure. Another was the desirability of conserving the time of the house as much as possible by concluding the discussion on the national defence and security measure before taking up another measure, the house having already devoted some five weeks to a discussion of the resolution on which the bill is based. As I have said two or three times, if we were to postpone or delay final disposition of that measure, we would open up afresh much of the discussion that has already taken place upon the resolution. The government is desirous therefore of concluding the discussion of that bill before taking up Bill No. 80.

There is another reason, and hon. members will quickly see the significance of it. There have been frequent references both in the house and in the public press to the fact that the senate has not been occupied, as much as some had expected it would be, with public matters at this time. There is an obvious reason for that. Most of the legislation of this particular session—and this is true of all sessions during a time of war—relates to finance. Of necessity financial measures are initiated in this house, and cannot be initiated in the senate. The most important of the financial measures is the measure relating to national defence and security.

The senate is meeting to-morrow night. The government had hoped that before the reassembling of the senate this particular measure would have been concluded in this house and would have gone to the senate for the immediate consideration of their honours. Since the adjournment of the senate I believe one or two other measures have gone to that house. We should like to have this bill with respect to defence and security in the hands of the senate just as soon as deliberations upon its provisions can be concluded in this house.

In the interchange which has taken place between my hon. friend the leader of the opposition and myself, and possibly between some other hon. members and myself, there may have been one thing in their minds, and another in my mind, which will be apparent from the reading of *Hansard*. Some may have thought when reference was made to war appropriation that it was a reference simply

to the resolution. I believe if one looks at my remarks it will be seen that at each time I spoke on the subject my reference was to a measure or a bill. I had in my mind of course the legislation itself—the bill itself—and not the resolution on which the bill was based. Not only that, but I think my references make it very clear that it was the disposition of the bill by this house that the government hoped for. In that connection I refer hon. members to my observations on May 26, as reported at page 2757 of *Hansard*. On that occasion the leader of the opposition asked me when I proposed to move the second reading of Bill No. 80. I replied:

> That depends upon the progress which the house makes with the legislation which is before it at the present time.

I was using the word "legislation" then in the general sense of the term, and referred to such bills as might be on the order paper. I then proceeded, referring to Bill No. 80:

> It is our wish to proceed with it at any early day. But it will not be proceeded with until the present war appropriation bill has been completed.

It was the war appropriation resolution which was before the committee at the time. I clearly had in mind the war appropriation bill, and later in my observations I referred also to one or two other small measures which made it clear that by "measure" I meant bills, not the resolution.

A little later on the leader of the opposition, speaking to me, said:

> With respect to the war appropriation bill I would point out that this is the largest money bill which has come before parliament.

And later:

> The whole matter is in the hands of the government. . . . The order of business of the day is as the government directs.

Evidently my hon. friend at that time was using the expression "bill" in the same way as that in which I had used it.

On June 4, as reported at page 3044 of *Hansard*, the leader of the opposition again asked when I proposed to proceed with the second reading of Bill No. 80. In reply I said:

> My hon. friend the leader of the opposition I think agreed with me that it was desirable to have the war appropriation measure disposed of in this house before taking up another measure.

That makes perfectly clear, I should say, the intention and purpose of the government. I said further:

> I think in the long run the time of parliament will be saved by concluding at once the war appropriation measure rather than having the whole matter opened up again at a later stage.

I am sure if hon. members will ask themselves how the business of parliament can best be expedited or carried on most satisfactorily to all concerned—and the term "parliament" includes of course both houses—they will see that it should serve the interests of all to conclude with the bill respecting defence and security in this house, and allow it to go to the senate before taking up other measures. After a discussion of five weeks on the resolution I should hope it would not take very much more of the time of this house before all discussion on the war appropriation measure might be concluded.

[*Later:*]

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): May I ask the Prime Minister for definite assurance that as soon as the war appropriation bill is through the house he will call Bill No. 80?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Yes. I was going to ask my hon. friend if he would be prepared to proceed with Bill No. 95 this afternoon.

Mr. HANSON (York-Sunbury): I am.

Mr. MACKENZIE KING: Bill No. 95 was not announced on Friday, but if the house is ready to go on with it, the government is prepared to call it. As soon as that bill is out of the way there are just the two items of the Minister of Finance.

Mr. HANSON (York-Sunbury): What about the war risk insurance bill? Will that be proceeded with before Bill 80 is taken up?

Mr. MACKENZIE KING: It has been announced that we shall go on with the two other measures that are on the order paper but with respect to those I would undertake to say that if they take more than one day they will be allowed to stand until later. As soon as the national defence and security bill has passed this house, the government will take up the next measure.

Mr. HANSON (York-Sunbury): Mr. Speaker, if I may say a word or two I would point out that I have been pressing for the second reading of Bill No. 80, and I shall continue to do so. If there has been a distinction in the minds of some people between the resolution and the measure itself, I believe the Prime Minister has all along, as I read his words now, meant the completed legislation. I may have fallen into some error by loose use of the terms "resolution," "measure" and "bill." I say at once that we will facilitate the second reading of the bill, so far as we are concerned, so that we may reach Bill No. 80

at the earliest possible day. I did facilitate the passing of the resolution, as hon. members know. On two different occasions I appealed to the house to pass the resolution, first a week ago Friday and again last Friday at six o'clock. I do not think it would have gone through if I had not made that appeal. Let us pass this bill at the earliest possible moment, because the country is eagerly awaiting the debate on Bill No. 80, and I want to get on with it. No one will be able to say that we, at least, have delayed the reaching of this measure.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I do not propose to sit quietly and listen to the leader of the opposition placing the responsibility upon others in the house. I believe if the time occupied in the discussion of the bill or the resolution were measured, and the pages of *Hansard* tabulated, it would be found that the leader of the opposition himself took a very considerable proportion of the time.

Mr. HANSON (York-Sunbury): And why should I not? I leave it to the judgment of the house whether as leader of the opposition I should not do so. I am not apologizing for anything I said in respect to it, or the time I occupied.

LABOUR CONDITIONS

LAYING OFF OF MEN AT CANADIAN PACIFIC ANGUS SHOPS

On the orders of the day:

Hon. C. D. HOWE (Minister of Munitions and Supply): May I reply to a question asked on June 5 by the hon. member for Vancouver East (Mr. MacInnis), and recorded at page 3099 of *Hansard*. In his question the hon. member called attention to the laying off of 175 men at the Angus shops in Montreal. I have made inquiries about this matter and I find it has nothing to do with the tank or any other government programme. It is a seasonal lay-off in the car repair shop.

NOVA SCOTIA COAL MINES OPERATING ON HALF TIME—FUEL SHORTAGE

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I should like to direct a question to the Minister of Labour, based upon a telegram received from one of the mine workers' executives in Nova Scotia, a copy of which I sent to the minister. This telegram states that at the present time mines in Nova Scotia are on half time, and these men cannot understand the reason for it. Is the minister in a position to give the house a statement as to why the mines in Cape Breton are working half time, and what steps are being taken to remedy the situation in view of the serious shortage of fuel in Canada?

Hon. HUMPHREY MITCHELL (Minister of Labour): There must have been some delay in the transmission of my hon. friend's communication, because I received it only as I entered the house. If I remember correctly, my hon. friend raised this question on Friday of last week and the Minister of Finance said he would make inquiries of the coal controller. I believe the matter was referred to in a previous telegram. I had one of our conciliation officers go there to look over the situation. My hon. friend will understand that there are certain technical aspects of the mining industry which may not be apparent to one outside the industry. If my memory serves me correctly, the main cause for the slow-down in production at the mines in Nova Scotia is the lack of ships to transport coal up the St. Lawrence and to other points.

Mr. GILLIS: The Minister of Labour has only partly answered my question. He stated that the cause of the 50 per cent curtailment in the operation of Nova Scotia coal mines was lack of shipping. I think that is generally understood. What I asked him was whether the government were taking any steps to remedy that situation. I should also like to ask whether there is not a possibility of routing eastern Canadian coal into eastern United States markets and vice versa.

Mr. SPEAKER: Order. The question should be placed on the order paper. Questions asked on the orders of the day should not, as I pointed out about three weeks ago, become the subject of debate at this stage.

ALASKA HIGHWAY—WAGES OF LABOUR IN YUKON—AGREEMENT WITH UNITED STATES AS TO WAGES AND WORKING CONDITIONS

On the orders of the day:

Mr. GEORGE BLACK (Yukon): I should like to ask the Minister of Labour a question. I have informed him that I intended to ask this question, and with your indulgence, Mr. Speaker, and the indulgence of the house I will divide it into three inquiries. I am confident the minister's reply will embrace all three. Is the order recently made by the national war labour board of Canada fixing the wages of common labour in the Yukon at 75 cents per hour plus cost of living bonus being enforced against all employers of common labour in Yukon? If not, why is the order not enforced against all employers of labourers of all nationalities? Are foreign

employers allowed to employ foreign labourers on work done in the Yukon at wages greatly in excess of the wages fixed by the national war labour board and in excess of wages Canadian labourers are allowed to receive?

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, the answer to the first question of the hon. member is yes. The national war labour board is at present considering placing someone in the Yukon district who will have charge of the enforcement of orders with respect to wages and working conditions there. I can assure my hon. friend that sympathetic consideration is being given to the suggestion he made in this house last Thursday.

It might be of interest to the house if I gave a summary of the arrangements that have been made between the United States and Canadian governments with respect to wages and working conditions, not only in the Yukon but in British Columbia and Alberta in connection with the building of the Alaska highway and other works that are being carried on.

By arrangement with the Department of External Affairs conferences were held with the representatives sent from Washington by the United States government with the object of agreeing on certain basic conditions.

The notes exchanged between the government of Canada and the government of the United States concerning the construction of a highway to Alaska provide that the United States government shall:

> Arrange for the highway's completion under contracts made by the United States Public Roads administration and awarded with a view to insuring the execution of all contracts in the shortest possible time without regard to whether the contractors are Canadian or American.

In order to give effect to this agreement it has been arranged with the United States authorities that if contracts are let to United States contractors those contractors shall recruit their labour in the United States and shall not include persons normally resident in Canada. The labour so recruited will be paid at United States wage rates, which include a premium for work done abroad. The wages will be exempt, in accordance with the terms of the notes, from Canada taxation, and such matters as social insurance and workmen's compensation will be dealt with in accordance with United States law. United States rules as to working conditions will apply.

In the case of contracts awarded to Canadian contractors labour will be recruited exclusively in Canada. Canadian wage rates and working conditions will prevail. The wages will be subject to Canadian taxation; unemployment insurance and workmen's compensation will be governed by Canadian law.

It is, of course, possible that in an emergency it may be necessary for United States contractors to engage some Canadian labour on the spot. It has been agreed that they will do so only through the Canadian employment service and that the labour so engaged will be paid at Canadian wage rates; that the wages will be subject to Canadian taxation and that Canadian law will govern unemployment insurance and workmen's compensation.

The reason for these arrangements is clear. The speedy completion of the road is necessary for the defence of Canada and of the United States. In order that the road may be completed as soon as possible, both United States labour and Canadian labour must be employed. United States labour can be recruited only if United States wages are paid and United States conditions of work apply. Consideration had to be given to our policy involving price and wage control, because it has been the practice in the United States to give extra pay for employment abroad. On the other hand, it is essential for the maintenance of the price and wage structure in Canada, which has been carefully devised to avoid the peril of inflation, that the wages paid to Canadian labour employed on the road should not be out of line with wages paid on other Canadian enterprises of a comparable character. By confining American contractors to recruitment of labour in the United States and Canadian contractors to the recruitment of labour in Canada, it is hoped to avoid the friction and the misunderstandings which are bound to arise if the same employer were employing two sets of men to do precisely similar work at different rates of pay. It is realized that this difference cannot be entirely eliminated, but it is hoped that a frank explanation of the circumstances will make it possible for the men concerned to understand what is being done and why it is being done, and to realize that the whole arrangement is designed to expedite the completion of the road without distorting the Canadian price and wage structure.

As a further precaution, United States employees are to be urged to assign a considerable part of their wages in the United States so that the cash payments which they receive in Canada will not, in most cases, exceed the cash payments received by Canadian labour.

FUEL OIL

INQUIRY WITH RESPECT TO DISTRIBUTION OF OIL AND GAS FOR HEATING PURPOSES

On the orders of the day:

Mr. KARL K. HOMUTH (Waterloo South): I should like to ask the Minister of Munitions and Supply a question arising out of many inquiries which are being made. Can he give the house some indication as to when a definite policy will be laid down with respect to gas and oil heating systems? The people are worried about this matter.

Hon. C. D. HOWE (Minister of Munitions and Supply): I expect to be able to make a statement within the next day or two with respect to heating with oil. We have made a careful analysis of the oil position and are hopeful that the situation will not require such drastic action as I suggested in the house. With respect to gas, of course that is a matter over which this government has very little control. We strongly recommend that all furnaces that can be converted to coal should be so converted, because we doubt very much whether adequate supplies of gas can be furnished for the coming winter.

WHEAT

AGREEMENT FOR FURTHER PURCHASES BY GREAT BRITAIN—ANSWERS TO QUESTIONS OF MEMBER FOR QU'APPELLE

On the orders of the day:

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker on June 1, the hon. member for Qu'Appelle (Mr. Perley) asked two questions with reference to the sale of 120 million bushels of wheat to the British Ministry of Food. At that time I stated that I would endeavour to obtain answers to both questions. The first question was:

How could a sale have been made on the basis of October and December futures when they have not been opened yet on the Winnipeg exchange?

There is no reason why sales cannot be made on the basis of futures which are not as yet posted for trading purposes, and this sale of 120 million bushels was made on May 22 last, and is subject to all contractual requirements, just as if the futures were trading in the market. I would call the hon. member's attention to the fact that the next few months are very important in the grain trade. In view of the increased price which will be paid on the 1942-43 crop, a proper adjustment of the price of wheat to new and higher levels is necessary. In order that no one may gain from this adjustment, the posting of the October and December futures has been delayed. In due course these futures will be posted and as cash wheat is purchased by the cereals import board at the seaboard, these futures will be given up to the exporter on the instructions of the cereals import board against the cash wheat purchased.

The second question asked by the hon. member for Qu'Appelle was:

Will the minister read to the house the cables which have passed between his department or the Canadian wheat board and the British Ministry of Food with respect to the request that he be authorized to announce the price, even if the price is not mentioned?

I may say that Mr. McIvor sent a cable on May 27 last to the Canadian wheat board representative in the United Kingdom, Mr. R. V. Biddulph, from which I quote as follows:

. . . At recent agricultural committee hearings some members of committee pressed for announcement of price on previous contracts. We informed them we were not in position to announce price as British Ministry of Food had expressly asked us not to disclose prices. We would now appreciate very much if cereals would authorize us to announce price of this sale as well as prices of former recent sales.

To this Mr. Biddulph replied:

Ministers cannot give decision for a day or so.

A further cable was sent through the Secretary of State for External Affairs, directed to the High Commissioner for Canada in London, on June 2, 1942. This cable read as follows:

When the announcement was made in the House of Commons by Minister of Trade and Commerce of recent purchase by United Kingdom ministry of food of 120 million bushels of wheat futures, opposition members renewed requests that price be disclosed. Canadian government have no objection to disclosure of price and unless United Kingdom government have substantial reason for withholding the information we would appreciate their concurrence, not only the disclosure of price of recent sale but also of prices at which former bulk sales were concluded. We request you to take up this question with United Kingdom authorities and to advise us as soon as possible if they are agreeable to disclosure by us of prices at which Canadian wheat board have been selling to United Kingdom Ministry of Food.

No reply has been received to this telegram.

Mr. E. E. PERLEY (Qu'Appelle): There must be a contract or an agreement of some kind. Will the minister table any cables that have passed between his department or the wheat board and the British Ministry of Food? There must be some agreement in connection with a sale of 120 million bushels

of wheat. There must be some paper or some cable. Will the minister table the cable, or the agreement, or the contract, even if he must omit the price?

Mr. MacKINNON (Edmonton West): My understanding is that this sale was arranged by cable between the cereals import board and the Canadian wheat board at Winnipeg. I do not know what previous telegrams there were, but the telegrams I have read are all that are in my possession.

Mr. PERLEY: Will the minister table them? I am not asking for the price; I am simply asking that the minister table the cables between the two governments or the British Ministry of Food and the wheat board with respect to this sale of wheat.

[*Later:*]

Mr. PERLEY: Will the Minister of Trade and Commerce furnish to the house the offers and acceptance cables which are always the basis of contracts between the wheat board and the British government?

Mr. SPEAKER: I think that is a question which might properly be placed on the order paper.

WHEAT ACREAGE REDUCTION BONUS—PRESS REPORTS AS TO FILING OF ACREAGE STATEMENTS

Mr. J. A. ROSS (Souris): I should like to ask a question of the Minister of Agriculture with reference to the acreage reduction bonus, based on a press dispatch appearing in the Winnipeg *Tribune* of Thursday, June 4, 1942, headed "Bonus Red Tape Angers Farmers," and which quotes Hon. D. L. Campbell, minister of agriculture for Manitoba, as commenting on the confusion and duplication caused by the filing of acreage statements where there is no change in the operator's acreage from 1941. During April and May the press carried articles pointing out that where there was not a change in acreage it would be unnecessary to file a fresh statement for 1942, but apparently this has recently been altered.

Mr. SPEAKER: I am afraid that question will have to be placed on the order paper.

Mr. ROSS (Souris): Is it not in order for me to mention that there is great confusion amongst the farmers who have not filed an application by May 31, 1942? Are they not eligible for the bonus?

Mr. SPEAKER: The question should be placed on the order paper.

OIL AND GAS

POSSIBILITY OF DEVELOPMENT OF GASPÉ AND TURNER VALLEY FIELDS

On the orders of the day:

Mr. J. S. ROY (Gaspé): In view of the gravity of the problem brought about by the shortage of oil and gas, I would ask whether the government will not make a serious attempt to explore the possibilities of oil that are offered by the Gaspé oil fields.

Hon. C. D. HOWE (Minister of Munitions and Supply): The government itself is not drilling for oil, and it is not the policy to do so at the moment. The Gaspé oil fields are not a proven field, and in the circumstances the government would not be warranted in itself attempting their development.

Mr. BLACKMORE: Is the government dependent entirely on private enterprise and private initiative for exploring oil fields and opening new wells? Is the government not directing this activity in any way?

Mr. HOWE: The government is certainly directing the activity. The experts of the natural resources department are active in all areas where it is known that the prospects for oil are favourable. Of course private enterprise has exploited wild cat wells, as we say, in a great many areas, including Gaspé. I think that we could waste a great deal of effort in areas of that kind—areas that have not been proven—without greatly increasing the supply of oil. We are encouraging drilling in areas that are considered to be favourable.

Mr. BLACKMORE: By what means would the minister encourage them? Suppose the minister discovered what looked like a good potential oil field; what measures would the government take to induce oil companies to go in there?

Mr. HOWE: We would try to make it attractive for oil companies to drill there. We have passed legislation to that end during the present session. We would allow people competent to do development work to go in and develop that area.

Mr. ROY: Has the government asked for any report from the geologist, Doctor Jones, who has made a survey of the Gaspé oil fields? This engineer has been working in that area for twenty years, and I believe could give the government valuable information with respect to it.

Mr. HOWE: I shall be glad to make inquiries.

Mr. NOSEWORTHY: What steps is the government taking to secure a maximum production of oil from the Turner Valley fields?

Mr. SPEAKER: Obviously that is a question that should be placed on the order paper.

LOAN OF $750,000,000

TO MEET LOANS OR OBLIGATIONS, TO PURCHASE UNMATURED SECURITIES, AND FOR PUBLIC WORKS AND GENERAL PURPOSES

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

That the governor in council be authorized to raise by way of loan under the provisions of The Consolidated Revenue and Audit Act, 1931, an amount not to exceed in the whole the sum of seven hundred and fifty million dollars for paying or redeeming the whole or any portion of loans or obligations of Canada and also for purchasing unmatured securities of Canada and for public works and general purposes.

Motion agreed to and the house went into committee, Mr. Bradette in the chair.

Mr. HANSON (York-Sunbury): Would the minister desire to make a statement now? I do not think this resolution should take very long, but I suggest that he should give us information as to what it will cover in the way of maturing obligations and the like.

Mr. ILSLEY: If this resolution passes, the bill based upon it will authorize the governor in council to borrow a sum not exceeding $750,000,000 through the issue, sale or pledge of securities of Canada. The purposes for which money so borrowed may be used will be set out in the bill. Those purposes are: (1) To pay or redeem the whole or any portion of any loans or obligations of Canada; (2) to purchase unmatured securities of Canada; (3) for public works; (4) for general purposes. The main purpose for which it is intended to use moneys to be borrowed under the bill is to pay off securities of Canada which mature or are callable within the next year or two. I will give to the committee a table showing the loans which are maturing or are callable prior to the end of 1943. Maturing in 1942, $73,951,470.85.

Mr. HANSON (York-Sunbury): When was that issued? Is that a treasury bill or bond issue?

Mr. ILSLEY: Bonds. I shall come back to that. Maturing in 1943, $677,000,100; callable prior to the end of 1943, $294,337,500.

Mr. HANSON (York-Sunbury): That is a one billion dollar total.

[Mr. Howe.]

Mr. ILSLEY: Yes. It makes altogether $1,045,289,070.85. In addition there are treasury bills of $270,000,000, making a total of $1,315,289,070.85.

Mr. HANSON (York-Sunbury): Is that the total amount of outstanding treasury bills?

Mr. ILSLEY: The total amount of outstanding treasury bills is $270,000,000.

Mr. HANSON (York-Sunbury): Is that what is currently called floating debt, in England, for instance?

Mr. ILSLEY: I do not know.

Mr. HANSON (York-Sunbury): It is unfunded debt, anyway.

Mr. ILSLEY: I am not sure about the use of the terms. They are treasury bills, whatever adjective you apply.

Mr. HANSON (York-Sunbury): They are short-dated bills that are issued from time to time to take care of government necessities, at a very low rate of interest, and usually snapped up, I understand, by banks and insurance companies for the purpose of employing their current funds without being tied up for a long time.

Mr. ILSLEY: That is right.

Mr. HANSON (York-Sunbury): And that is the total amount of our treasury bill commitments?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): It is considered, I suppose, that it will have to be refunded in a long term commitment. Is that the idea?

Mr. ILSLEY: When treasury bills come due there are new treasury bills to take their place.

Mr. HANSON (York-Sunbury): Sometimes they are absorbed by a bond issue.

Mr. ILSLEY: Yes. I do not know whether that has happened recently.

Mr. HANSON (York-Sunbury): Is this a rolling snowball, the floating debt which is represented by these treasury bills? Is it intended never to refund them, or is it intended to pay them out of current revenue, or what? The government must have some plan with respect to the retirement of these obligations, either by payment in cash or by funding them in long term securities. They are of very short terms.

Mr. ILSLEY: The amount of treasury bills outstanding has been increasing over the last few years.

Mr. HANSON (York-Sunbury): I imagine that is true.

Mr. ILSLEY: I should think it might be desirable not to have any plans for converting them into a long term debt. The money is borrowed at a low rate of interest, almost a non-existent rate of interest, and there is no reason why there should not be a substantial amount outstanding continuously.

Mr. HANSON (York-Sunbury): It may be good business, I do not know; but it is a very limited form of financing. That is to say, it has to be taken care of immediately, and I suppose as long as conditions are as they are there is no doubt these will be taken care of by renewals.

Mr. ILSLEY: That is right.

Mr. HANSON (York-Sunbury): In ordinary times of peace, when these are issued they would generally speaking be taken up in the form of a funded debt on a long term basis. I am not quarrelling with the plan. I think the government is saving money by the issuing of short-dated treasury bills, but I should not like to see it go on indefinitely, reaching huge proportions, because something might happen when the holders would not want to renew them. There has to be some policy behind it.

Did the minister complete his statement? He was to put on *Hansard* the whole of the maturities.

Mr. ILSLEY: What the hon. gentleman asked for was the date of issue of the securities maturing in 1942 and 1943.

Mr. HANSON (York-Sunbury): Yes, and I should like to have that supplemented by the rates, and split into the amounts. It could be put on *Hansard* in the form of a table.

Mr. ILSLEY: It will take two or three minutes to get the dates. I may say with regard to the bill to be based on this resolution that the moneys borrowed under the authority given by the bill may also be used for public works and general purposes of the government of Canada. It is to be noted however that the proceeds of the sale of securities issued under this authority have to be paid into the consolidated revenue fund and can only be paid out of the consolidated revenue fund under parliamentary authority. This means that moneys borrowed under it can be used for public works and general purposes only if moneys for this purpose have been voted or authorized by parliament. The bill is not itself an authorization for the expenditure of the money. It is merely authority for the borrowing of the money, and once it is borrowed it can be used for these general purposes if subsequently authorized.

Mr. HANSON (York-Sunbury): I think it is wise to make that clear.

Mr. ILSLEY: Yes, that point has always come up when these loan bills came before the house. Previous loan acts all provided that the moneys borrowed could be used for public works and general purposes. There is thus no change in principle with regard to this matter.

The amount to be authorized is $750,000,000. The loan act of 1931 and subsequent loan acts passed in 1933, 1935, 1936, 1939 and 1940 have all authorized the borrowing of $750,000,000. That is the amount that is put in. There is no particular magic in that amount. In fact it would appear to me that probably another loan act will be required next year, although we have been able to go two years since the last loan act of $750,000,000 in 1940.

I suppose hon. members understand that the purpose of these loan acts is to vote money to meet maturing obligations, whereas the purpose of our estimates is to meet current obligations of the government. The war appropriation bill is to meet war expenditures, as a separate function.

Mr. HANSON (York-Sunbury): The purpose of this resolution is really threefold, as I understand it and as I recall the previous ones. First it is to take care of maturing loans or obligations. These include, as the minister has stated, a relatively small portion for the fiscal year 1942-43, and a substantial portion for the following year. The portion for this year includes the treasury bills. Second, it is for the purchase of unmatured securities of Canada. The minister has not said whether he proposes to purchase unmatured securities, but this is an enabling authority. I assume he means by that callable loans; or it is even wide enough for the government to go out in the market here or elsewhere and buy unmatured securities of Canada. Third, it is for public works and general purposes. I recall discussing this third feature on a prior occasion and having it made clear at the time by the minister that while this form was being used and had been used on previous occasions, in itself it was not sufficient to authorize the government to spend any part of this

$750,000,000 on public works or for general governmental purposes beyond the retirement of loans or purchase of unmatured securities, without a special vote.

Mr. ILSLEY: That is correct.

Mr. HANSON (York-Sunbury): I think that is clear and satisfactory. The minister might say what the government's intention is with respect to purchasing unmatured securities. What is the policy? Is there anything in view? Is the government calling any further maturities in London, or would that be paid out of some other vote, or perhaps out of the $2,000,000,000 appropriation?

Mr. ILSLEY: This would give authority to repatriate, but there is no intention to use the authority for that purpose. I do not say we would not, but—

Mr. HANSON (York-Sunbury): But you want the authority?

Mr. ILSLEY: It authorizes the calling of the securities that are callable. Many of them are callable. It goes further and authorizes the purchase of unmatured securities if we wish to do that. It might be desirable.

Mr. HANSON (York-Sunbury): Has the government any intention of so using it?

Mr. ILSLEY: We have no intention of using it. By that I do not mean that I am giving a commitment that it will not be used for this purpose.

Mr. HANSON (York-Sunbury): At the present time it is not the intention to use it, but you want the authority.

Mr. ILSLEY: That is correct.

Mr. HANSON (York-Sunbury): I am agreeable.

Mr. ILSLEY: As to the details of maturities, I could put this table on *Hansard*, but perhaps the committee would like to hear it: Issued May 1, 1922, callable May 1, 1942, due May 1, 1952, interest rate 5 per cent, payable in New York, $100,000,000.

Mr. NICHOLSON: Payable in New York funds?

Mr. ILSLEY: That is right.

Mr. COLDWELL: What is the present market value of that security?

Mr. ILSLEY: It is around par in New York.

Mr. COLDWELL: That I take it would be the type of security that it would be advantageous to call at the present time?

Mr. HANSON (York-Sunbury): You would have to pay an exchange premium.

Mr. COLDWELL: Even at that, you are paying interest at 5 per cent plus 10 per cent on 5 per cent in New York. If you could borrow at the rate at which we have been borrowing here, it would seem to be good business to call it.

Mr. ILSLEY: It takes a great deal of foreign exchange.

Mr. COLDWELL: That may be a hurdle to surmount, but from the point of view of a commercial transaction it looks good.

Mr. ILSLEY: The next is $249,000, issued June 1, 1937, maturing June 1, 1942; interest 2 per cent, payable in Canada. The remainder are as follows:

Date of issue	Date of maturity	Interest rate	Where payable	Amount outstanding
July 1, 1941	July 1, 1942	4	Canada	$ 33,293,470 85
Oct. 15, 1934	Oct. 15, 1942	3	Canada	40,409,000 00
Jan. 15, 1937	Callable Jan. 15, 1943 Due Jan. 15, 1944	2¼	New York	30,000,000 00
Apr. 15, 1942	Apr. 15, 1943	1	Canada	250,000,000 00
May 1, 1941	May 1, 1943	2¼	New York	10,000,000 00
June 1, 1935	June 1, 1943	2½	Canada	20,000,000 00
Jan. 2, 1941	July 2, 1943	1½	Canada	250,000,000 00
Aug. 15, 1935	Callable Aug. 15, 1943 Due Aug. 15, 1945	2½	New York	76,000,000 00
Oct. 15, 1923	Oct. 15, 1943	5	Canada	147,000,100 00
Oct. 15, 1933	Callable Oct. 15, 1943 Due Oct. 15, 1945	4	Canada	88,337,500 00

That makes a total of $1,045,289,070.85.

Mr. HANSON (York-Sunbury): In the case of these loans payable in New York, it might not be abvisable to pay them off.

Mr. COLDWELL: It would not be.

[Mr. R. B. Hanson.]

Mr. ILSLEY: I do not see how anyone could tell whether it would be unless they knew something about the price. However, I do not need to go into that. The treasury bills outstanding, as I said, amount to $270,000,000. Treasury bills are renewable

under the appropriation acts, but if the amount were funded into long term debt, the necessary authority would have to be provided. This bill would be the authority. For instance, treasury bills are issued so often for the refunding of previous treasury bills that if we had to rely on these loan acts as authority for the issuing of treasury bills, we would rapidly exhaust our authority.

Mr. HANSON (York-Sunbury): They are revolving debts, not revolving funds.

Mr. ILSLEY: Yes, so that we do not have to rely on our loan acts for the issuing of treasury bills. If we did we would need loan acts all the time, or very big ones.

Mr. HANSON (York-Sunbury): The treasury bills are listed there, are they, and will be placed on *Hansard*?

Mr. ILSLEY: I have not the list here, but I can get it.

Mr. HANSON (York-Sunbury): I do not know that it is important and I do not want to hold up the minister. The bond issues are important.

Mr. ILSLEY: I have the list here.

Mr. HANSON (York-Sunbury): I would not ask the minister to read it but it might go on *Hansard* with the other lists.

Mr. ILSLEY: The list of treasury bills outstanding at April 30, 1942, is as follows:

Date of issue	Date of maturity	Interest rate	Where payable	Amount outstanding
Feb. 13, 1942	May 15, 1942	·545	Canada	$ 45,000,000
Feb. 27, 1942	May 29, 1942	·547	Canada	45,000,000
Mar. 13, 1942	June 12, 1942	·552	Canada	45,000,000
Apr. 1, 1942	July 3, 1942	·550	Canada	45,000,000
Apr. 17, 1942	July 17, 1942	·544	Canada	45,000,000
Apr. 29, 1942	July 31, 1942	·545	Canada	45,000,000

Mr. NICHOLSON: Has the minister the figures in connection with the appropriation bill of two years ago, showing the unmatured securities which were retired?

Mr. ILSLEY: Yes. The table is as follows:

Loans issued under the authority of the Loan Act, 1940

Issue date	Maturity date	Interest rate per cent	Description	Amount
....	....	3	War Savings Certificates	$150,000,000
Oct. 1, 1941	Oct. 1, 1952	3	Second War Loan	24,945,700
....	June 15, 1945	..	Non-Interest Bearing Certificates, Series B	1,000,000
Jan. 2, 1941	July 2, 1943	2½	Two and One-Half Year Notes	50,000,000
May 1, 1941	May 1, 1942	1	One Year Note	250,000,000
May 1, 1941	May 1, 1943	2¼	Two Year Note (N.Y.)	11,100,000
June 15, 1941	Dec. 15, 1946	2	1941 Victory Loan	106,444,000
	June 15, 1951	3	1941 Victory Loan	....
Mar. 1, 1942	Sept. 1, 1944	1½	Second Victory Loan (1942)	156,510,300
	Mar. 1, 1948	2¼		
	Mar. 1, 1951	3		
				$750,000,000

It will be noted that $150,000,000 of war savings certificates were issued under the authority of that last loan act, as well as certain bonds in the second war loan, the first victory loan and the second victory loan. The bonds issued under the authority of that loan act were bonds issued for refunding purposes, not for cash. Persons who bought them turned in their old bonds and got these in their place.

Mr. COLDWELL: Do I understand that non-interest bonds were issued under that authority?

Mr. ILSLEY: Yes, a million dollars' worth.

Mr. COLDWELL: Was there not something issued in New York?

Mr. ILSLEY: I should correct what I said about the million dollars being issued. An order in council has been passed, under

the authority of this act, authorizing the issue of a million dollars' worth of non-interest bearing security, series B. However, that amount has not been issued. They are issued from time to time as applications come in.

Mr. COLDWELL: What is the total of that non-interest bearing loan?

Mr. ILSLEY: It is not very great. Up to April 30 the amount was $9,144,694.99.

Mr. MacNICOL: Payable in New York?

Mr. ILSLEY: No, these are non-interest bearing certificates.

Mr. WRIGHT: The minister said $11,000,000 was borrowed in New York in 1941. Are we borrowing money there at the present time?

Mr. ILSLEY: Only to renew existing obligations.

Mr. HANSON (York-Sunbury): It would be interesting to know the amount of the total funded debt of Canada held in the United States, and the annual cost (a) without exchange, and (b) with exchange. I should like to know, too, when the original debt was incurred. If I do not miss my guess it will be found that most of this indebtedness arose originally between 1922 and 1930. Those were the halcyon days when everything was going beautifully, and when New York was the mecca for all borrowers, particularly the treasury of Canada, and the provinces—not to speak of corporations in this country. I recall a certain warning given out in 1927, I believe it was, by a gentleman who then occupied this seat, against this kind of borrowing. No heed was paid to the warning we gave, and we are paying for it to-day, right through the nose. I hope this will be a salutary warning to all governments, no matter what their political complexion may be, that the debt of the country should be held within the country. If held in Canada no very appreciable difficulties will arise in handling it. It is the debt we owe to the stranger which may cause us great anxiety in days to come.

A short time ago I discussed this matter with a man who knows what he is talking about, and he told me that, taking the war and all other factors into consideration, the size of Canada's debt need not cause us much anxiety, so long as we owe it to ourselves. But when we go outside the country to borrow we must be prepared for the worst, if the worst should come. That was sound reasoning. If we owe to ourselves we can take care of our debts by taxation, but we cannot tax foreigners. The man in another country expects to be paid according to the terms of his contract. Attempts have been made to do that, but they have always met with tremendous reaction and resistance, and there have been reflections on the credit of the country. So long as we have this system we have to keep our conscience.

If the minister cannot give complete information to-day, he may do so at a later stage. I should like to have, in some detail, information as to the origin of the debt. I should like to have included the debt of the Canadian National Railways, because between 1924 and 1930 I believe this country borrowed on its credit in the New York market, through the medium of the Canadian National Railways, the sum of about $400,000,000. We are paying through the nose for that policy. I should like to know both the direct debt and the guaranteed obligations, so that the country will be apprised of the total burden upon which we have to pay principal, interest and exchange.

Mr. ILSLEY: I can give at once Canada's direct debt payable in New York. It stands at $459,000,000, with annual interest charges of $16,210,000. These are the figures as of April 30, 1942.

Mr. HANSON (York-Sunbury): What is the exchange? It is part of the burden.

Mr. ILSLEY: Eleven per cent on the interest, amounting to $1,783,100. I have not before me figures showing the Canadian National Railways' guaranteed debt payable in New York.

Mr. HANSON (York-Sunbury): Could the minister give us some idea? Is it as much more, or an amount in excess of that? I should like also to know the origin of the debt, and how old it is. I am not referring to renewals.

Mr. ILSLEY: I could go through a list I now have and pick out the dates of issue of bonds payable in New York, making up the $459,000,000.

Mr. HANSON (York-Sunbury): I am not asking the minister to do that. Perhaps he would have his staff put this information in the form of a table which would be available when we are discussing the bill. I believe the guarantee branch of the Department of Finance could give us the same detail with respect to the indirect obligations of the Canadian National Railways, and particularly the date of origin of these obligations.

Mr. ILSLEY: That would involve tracing them back.

Mr. HANSON (York-Sunbury): Yes, it would involve some work, but if possible I should like to have it. If the information cannot be obtained quickly I should like to know how much of these two sums, the direct obligation of $450,000,000 and that of the Canadian National Railways, was incurred between 1922 and 1930, when this country went on a big spending and borrowing spree in the New York markets. The same thing was true of the provinces.

Mr. ILSLEY: The hon. gentleman wants the particulars of the $459,000,000—when the debt was incurred?

Mr. HANSON (York-Sunbury): Yes, when the first borrowing occurred.

Mr. ILSLEY: It will not be sufficient merely to give the date of issue of the present bonds, because they may have been issued for the purpose of refunding previous bonds, and that procedure may have occurred two or three times. Does the hon. gentleman want similar information with regard to the Canadian National debt payable in the United States and guaranteed by the dominion government, and also the unguaranteed Canadian National debt?

Mr. HANSON (York-Sunbury): Is that in the form of certificates for rolling stock issued under the Philadelphia plan? There is a specific term that is used but I have just forgotten it. When I was on the railway committee in the old days we used to inquire about that. I thought they were all guaranteed by the government, although secured by a specific mortgage and subject to a trust.

Mr. HOWE: No, they are not guaranteed by the government.

Mr. HANSON (York-Sunbury): The minister might include the obligations that are payable in New York, whether guaranteed or not.

Mr. GRAHAM: When an issue matures in New York and you arrange for a new loan to retire the old one, do you have to retire the old one in terms of the previous amount plus the exchange?

Mr. ILSLEY: If a loan is payable in New York funds, so many dollars must be paid. We must obtain those New York dollars in some way.

Mr. GRAHAM: You do not get the holders of the bonds to accept the new issue? I realize that that might not be possible.

Mr. ILSLEY: That is not the course followed.

Mr. GRAHAM: I assume the new purchasers might not be the same as the old holders?

Mr. ILSLEY: That is right.

Mr. NICHOLSON: The minister gave a figure of $459,000,000 as being the amount outstanding in the United States as at the end of April, 1942. Has he the figure as at the end of the previous fiscal year, so that we may see whether the picture has changed since the beginning of the war?

Mr. ILSLEY: I have not the figures, but it has decreased $10,000,000 since the outbreak of the war.

Mr. HANSON (York-Sunbury): Does that mean that $10,000,000 has been paid off in that time?

Mr. ILSLEY: That is right.

Mr. HANSON (York-Sunbury): More would have been paid off if it had been considered the best thing to do.

Mr. ILSLEY: When bonds fall due, just what the government should do is considered carefully and arguments pro and con are weighed. I forget what maturity it was, but there was one where we finally decided that the best thing to do was to pay part and renew part.

Mr. QUELCH: Would it be possible to get a statement showing the total of Canadian securities, dominion, provincial, municipal and private, held abroad; also the dates of issue, the dates of maturity and the rates of interest?

Mr. ILSLEY: I am informed that it would be impossible to get that. The bureau of statistics makes an estimate, but as there is a certain movement in securities there is no way of finding that out with any exactness.

Mr. QUELCH: Could you not compel the owners of securities to register them by a certain date and thus get that information?

Mr. ILSLEY: The holders abroad?

Mr. QUELCH: Yes.

Mr. ILSLEY: I do not see how that could be enforced.

Mr. HANSON (York-Sunbury): There is one thing of which the hon. member can be certain. Holders of corporation securities, whether residing in the United States or in Canada, insist on being paid in New York funds when the securities are payable in New York funds. I have often wondered about the patriotism of those people. Perhaps I should withdraw that. If everybody were to give up his exchange it would be a wonderful

thing, but one man will not do it unless everybody does. It is a terrible drain upon this country and upon the foreign exchange control board. I have been in that position myself. I am quite willing to give up to the state part of, shall I say, my unearned increment. If they want it all, they may have it so far as I am concerned.

Mr. QUELCH: Suppose the federal government desired to pay off its indebtedness in England and to call in all debts held in that country in the form of Canadian securities before making an additional gift of money; would it not be possible to find out what dominion, provincial, municipal and private securities were held there?

Mr. ILSLEY: We have repatriated all dominion government and Canadian National securities held by residents of the United Kingdom. The hon. member is probably referring to provincial, municipal and industrial securities.

Mr. QUELCH: Yes.

Mr. ILSLEY: The United Kingdom government probably could obtain exact information with reference to the securities in the hands of residents of the United Kingdom by compelling a registration. They would have the authority to do that. However, that would have to be a programme carried out by co-operation between the dominion and United Kingdom governments.

Mr. QUELCH: Have there been any conversations with that end in view?

Mr. ILSLEY: No. Our programme did not involve the repatriation of industrial securities held by residents of the United Kingdom.

Mr. QUELCH: I am very much in favour of the billion dollar gift, but I do think attempts should be made to pay off whatever we owe in Great Britain, whether it is in the form of federal, provincial, municipal or industrial debts. In the long run it means that goods have to be shipped from this country to pay those government and private debts. I was just wondering whether we are going to get some of those securities.

Mr. ILSLEY: The matter was gone into pretty thoroughly in the debate on the billion dollar gift, and a good argument was advanced for not denuding residents of the United Kingdom of their Canadian securities. I do not want a repetition of the arguments advanced then, but so long as they have a substantial investment in this country they will have a financial interest in purchasing goods from this government and developing trade with us. If all these securities were brought home there would be a strong tendency on their part to purchase wheat from the Argentine and cattle from other countries in whose properties and industries they had an interest.

Mr. QUELCH: I was reading through the debate the other day and it seems to me that that was the main argument advanced. An effort is being made to guarantee a foreign market for our products after the war, whereas we should try to develop our internal economy so that we will have a home market for our own products, or for the products for which our own products may be exchanged, rather than depend upon a favourable balance of trade. By this means an internal economy would be developed under which other countries could buy the production of Canada that was not required for our own consuming. You would be giving goods for goods.

Mr. ILSLEY: I have always taken it for granted that it would be impossible in the lifetime of any of us to develop an economy in Canada that would supply a market for the whole wheat production of Canada.

Mr. QUELCH: But the goods for which wheat could be exchanged.

Mr. ILSLEY: You mean goods such as British goods?

Mr. QUELCH: Tropical goods.

Mr. GRAHAM: Is not that argument also applicable to the United States, that Canada might be wise to go there to a reasonable extent for the very reason the minister gives?

Mr. ILSLEY: That might be, but the question is not as acute with the United States as it is with Great Britain, because Great Britain purchases an enormous volume of goods from us, and the balance of trade is favourable to us as between Canada and Great Britain. All sorts of considerations come in there, questions of fairness, whether that is the right way to cooperate in carrying on a war, whether it is sensible from the point of view of postwar trade, and so forth. I realize that persons may have different opinions about it. This whole subject was pretty well threshed out in the debate on the billion dollar gift.

Mr. GRAHAM: When Canada negotiates a new loan on the New York market to retire a loan, does the minister explore the possibility of raising a loan payable in Canadian funds rather than in United States funds?

Mr. ILSLEY: I think that the floating of a loan in New York payable in Canadian funds is impracticable. Some people in the

United States used to accumulate Canadian bonds payable in Canadian funds, and they had reasons for doing so. But when you go into a market like the New York market to borrow money it is understood that you agree to repay the money they lend you, which is United States money.

Mr. NICHOLSON: A few years ago some Canadian companies bought securities which were to be paid in New York funds. If I remember correctly, the city of Calgary had some legal troubles over an issue of that sort some years ago. Are any of the amounts in the list which the minister has given us payable in New York funds to Canadian companies?

Mr. ILSLEY: We do not know the holders or where they are. Some of these holders may be Canadians.

Mr. QUELCH: I can appreciate that there is the difficulty of obtaining foreign exchange in the United States and that we desire to export gold for that purpose, but I understand that the great bulk of the gold we export to the United States is held in that country and therefore to that extent it does not in any way help the war effort of the United States and Canada taken together. To that extent it is an absolute loss so far as our combined war effort is concerned. I see that some of the gold mines are advertising in western Canada for men who are needed in other industries. The minister of munitions has told us that he could use right away five thousand mechanics at Arvida and a thousand miners at Sudbury. That makes six thousand men that he needs right way, and whom he could get if the gold mines in Canada ceased operating. The gold mines of Canada are not making any real contribution to the joint war effort of the United States and Canada. Does not the minister feel that the production of gold could well be stopped for the duration of the war? After the war it would provide employment. We could have an agreement with the United States whereby the goods we require from her could be obtained under the lease-lend law, and then after the war we could repay our indebtedness to the United States in gold, if the United States desired to take gold. Our gold cannot be regarded as any help to the joint war effort of the United States and Canada. It is a help to Canada, but the war effort must be regarded as one joint effort by Canada and the United States, and the production of gold does not help that joint effort. On the contrary it is a complete loss of labour to the war effort.

Mr. ILSLEY: Sooner or later the subject to which the hon. gentleman refers will probably come up for debate in some way. The hon. member has brought up this question two or three times before. He has suggested that we should close up the gold mines. He has asked me two or three times if I did not think that would be a very good idea, and I cannot remember having said that I did. I should not like to express an opinion on it at the moment. I doubt whether this is the proper time to bring up the subject.

Mr. HANSON (York-Sunbury): The minister could at least say that the export of gold helps our foreign exchange.

Mr. ILSLEY: Yes, if we are to go on buying from the United States and not be thrown into a relationship which is undesirable from our point of view, that of being a debtor, whether merely a debtor having obligations under the lease-lend law or otherwise. We ought to be in a position to pay for what we get. It makes for smooth delivery of goods, parts and materials to Canada, and gold is just what we need for that purpose. The hon. gentleman suggests that we should work out an entirely new arrangement, an arrangement which would be very hard on communities which rely on the production of gold, and very hard on the large number of persons employed in the industry. These social problems are of great importance, and these are all matters which would have to be taken into consideration if we were to adopt a policy such as the hon. gentleman has several times advocated.

Mr. ESLING: We already know of one community in the far north which is becoming entirely deserted. When the mines cease operation the business community that is dependent upon the mines has to fold its tent and move out, just as the miners do. They find another locality and start business, and the men must look for other employment.

Mr. HANSON (York-Sunbury): The minister mentioned the policy of lease-lend. This may not be the proper time or place to inquire with regard to that, but it would be interesting to know whether the policy is in operation, the extent to which it has been put into operation, the obligations that have been incurred both ways, and the balance for or against this

country. If he could give that information it would be interesting. I do not assume he has it before him at the moment.

Mr. ILSLEY: We do not avail ourselves of lease-lend.

Mr. HANSON (York-Sunbury): But the minister suggested possibilities. It is definite that we have not yet taken on anything under lease-lend?

Mr. ILSLEY: That is correct.

Mr. HANSON (York-Sunbury): Has the offer been extended to Canada?

Mr. ILSLEY: I always understood it was available to Canada if Canada wished it.

Mr. HANSON (York-Sunbury): But we have not got it so far?

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): I am glad to hear it.

Mr. NICHOLSON: I have been interested in the remarks of the hon. member for Acadia. I noticed in the evening paper that Mr. Little, speaking over the week-end, mentioned that Canada was near an extreme labour shortage. In Saskatchewan the gold fields will become ghost towns, and while it is perfectly true that some of these towns were built up for the production of gold, they will suffer hardship if we discontinue production. The present may not be the time for the discussion of this important subject, but some minister of the crown should indicate whether any lead has been given by the government with a view to negotiation between the two governments to see whether the large number of men engaged exclusively in gold production and the amount of available equipment might not be used to better advantage. While there are hardships in moving people from a town in which they have been living for some years, there are greater hardships which they might have to contemplate. The point made by the hon. member for Acadia is well taken. We cannot afford at this stage to have highly trained men and valuable equipment producing goods that are not essential in the present conflict, and I cannot think of large quantities of gold as being produced in the best interests of Canada and the United States, taking everything into consideration. I wish the minister would indicate whether consideration might be given in the house to the whole question.

Mr. QUELCH: Would the minister also give us information regarding the action that is taken in Russia, Australia and South Africa? I understand that in Russia production has been discontinued, and, to a large extent it has been discontinued also in Australia. If he could give that information it would be a lead on the question.

Resolution reported, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 96, to authorize the raising, by way of loan, of certain sums of money for the public service.

Motion agreed to and bill read the first time.

Mr. SPEAKER: When shall the bill be read the second time?

Mr. HANSON (York-Sunbury): I think it would be a good idea to read the bill a second time now. I should like to have a look at it. I believe the minister was to give me some information about foreign loans and guarantees. If I can get that information on *Hansard,* I am willing to have the bill go through. It is in the standard form of previous years?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): I should like to look at it a moment. So far as I am concerned we could have the second reading and there would then be the committee stage.

Mr. ILSLEY: I move that the bill be now read the second time.

Motion agreed to and bill read the second time.

Mr. SPEAKER: Mr. Ilsley moves that I do now leave the chair for the house to go into committee on the said bill.

Mr. POULIOT: In past years the second reading of a bill has been postponed just because the bill had not been printed in one of the official languages. Here we have absolutely nothing before us. There must be a stop to this.

Mr. NEILL: The bill has already been read the second time.

Mr. SPEAKER: When shall the house go into committee on the bill?

Mr. ILSLEY: Next sitting.

BUSINESS OF THE HOUSE

Hon. J. L. ILSLEY (Minister of Finance): The next order of business mentioned was the war risk insurance bill, but that presents new difficulties every day and I am not prepared to go on with it to-day. I am trying to work out with the Minister of Fisheries an arrangement which will meet the wishes expressed by some hon. members the other day; other questions have arisen as to whether the

bill should apply to ships on inland waters or not, and certain information which is not in the possession of the government will have to be obtained. I cannot have that for two or three days, and it makes an awkward situation so far as this bill is concerned. I am proceeding to set up the organization just as if the bill had gone through, because I have to do it. I am getting committees together, and as soon as I have these preliminary matters settled, as far as they can be settled by the government, I shall have to bring this bill into the house again, but I cannot do so to-day or to-morrow.

Hon. R. B. HANSON (Leader of the Opposition): I realize that the minister has difficulties on his hands, but his colleague said distinctly that this would be among the orders of business to-day. Apparently there is no team-work between members of the administration with regard to these matters. However, I am not going to refer to that further. If the minister cannot go on and if there is a hope that he will be able to work out a solution for the fishermen, I would say we should let the bill stand over. As a matter of fact, all he has to do is to go into committee and then move the committee out; he has the remedy in his own hands. But I hope a solution will be found with respect to the fishermen.

He mentioned another difficulty with regard to shipping on inland waters. There was also a sharp division of opinion in the committee on another point which may occasion some debate here. So perhaps it is just as well to let the matter stand. But I want it understood that as far as we are concerned we were prepared to go on with the bill.

Mr. ILSLEY: We might revert to government notices of motion. There is a most urgent matter which my colleague the Minister of National Revenue would like to take up, the resolution standing in his name. When we are through with that we might proceed with the second reading of the war appropriation bill. The resolution of the Minister of National Revenue may take some little time.

Mr. HANSON (York-Sunbury): I have no objection to accommodating the administration. But this was not on the orders of the day for to-day, and therefore I did not give any study to it, although in odd moments I have been trying to give some attention to these matters. I am quite willing that we should revert. The minister can make a statement and if we find it is a complicated matter, I think he should not proceed beyond that stage.

Mr. SPEAKER: By unanimous consent.

INCOME AND CORPORATION TAX

CONVENTION BETWEEN CANADA AND THE UNITED STATES SIGNED AT WASHINGTON MARCH 4

Hon. C. W. G. GIBSON (Minister of National Revenue) moved that the house go into committee to consider the following resolution:

That it is expedient that the houses of parliament do approve of the convention and protocol entered into at Washington on the 4th day of March, 1942, by the government of Canada and the government of the United States of America concerning rates of income tax upon non-resident individuals and corporations, the avoidance of double taxation, the prevention of fiscal evasion in the case of income tax and the exchange of certain fiscal information, and that this house do approve of the same.

Motion agreed to and the house went into committee, Mr. Bradette in the Chair.

Mr. GIBSON: This convention was signed on March 4. On the following day I made a statement in the house outlining the terms, or the chief terms, of the convention, and so probably it is not necessary to give a lengthy explanation to-day. It might, however, be advisable to give a brief review of the deductions at the source as between Canada and the United States as they have existed and been modified by a prior convention and as they are modified by the present convention.

In 1933, for the first time Canada imposed a 5 per cent tax deduction at the source in respect of dividends and certain interest leaving Canada. It was not until three years later that the United States first imposed a tax deduction at the source in respect of certain periodic payments made to persons resident outside of the United States. In 1936, when the United States imposed a 10 per cent tax deduction at the source it was felt that representations should be made to reduce that to 5 per cent so that there would be parity of deduction between the two countries with respect to these periodic payments. As a result, the convention of 1936 was entered into, and from that time until April 29, 1941, the deduction at the source of each country remained at 5 per cent.

In April, 1941, Canada raised its rate of tax deduction to 15 per cent, and in so doing automatically abrogated the existing convention. As a result, the then existing law in the United States pertaining to deduction at the source applied equally to Canada, as it did to all other parts of the world. The law of the United States required a deduction of 16½ per cent, and thereafter 16½ per cent was deducted in the United States.

However, the United States government then raised the tax deduction rate from 16½ to 27½ per cent, so that during the last three

months of 1941, 27½ per cent was deducted at the source from periodic payments originating in the United States and payable to Canadian resident holders of United States securities, as compared with the deduction at the source in Canada of 15 per cent.

Mr. HANSON (York-Sunbury): If this convention goes through, will it operate to revert to the former rate, and will there be refunds covering that period?

Mr. GIBSON: Yes, it will give us refunds not only of the difference between 15 per cent and 27½ per cent, but also of the 16½ per cent rate that existed from April, 1941, when we changed our rate from 5 to 15 per cent. When we did that, the United States rate automatically applied to Canada.

Mr. HANSON (York-Sunbury) When we abrogated the convention.

Mr. GIBSON: Yes, in April, 1941.

This discrepancy in the amount of the deduction at the source again became the subject of negotiations with a view to parity of deduction. The negotiations culminated in the convention which has been tabled, and which was signed on March 4, 1942, by our minister at Washington, Mr. Leighton McCarthy, and the acting under-secretary of the treasury, Mr. Sumner Welles.

This convention, as my previous statement indicated, is wider than the prior convention of 1936. Broadly speaking, it does the following:

1. It reduces the United States tax deduction at the source from 27½ per cent to 15 per cent, and is retroactive, so that parity of deduction as between the two countries has been restored.

Mr. MacNICOL: From what date?

Mr. GIBSON: From April, 1941, the date when we abrogated the prior treaty.

2. Certain extraterritorial features of the United States law as they impinged on the Canadian taxpayer are eliminated. By way of example, the United States law imposed a tax on any Canadian company, 50 per cent or more of the revenue of which was derived from sources within the United States, if the income was accumulated by a recipient Canadian company. Or again, if a Canadian company had 50 per cent of its revenue from the United States, then any Canadian indivdual resident who received dividends from that company was liable to taxation under the United States extraterritorial law. These extraterritorial features have been eliminated.

Mr. HANSON (York-Sunbury): All of them?

[Mr. Gibson.]

Mr. GIBSON: All of them as applicable to Canadians.

3. For the years prior to 1936, the United States revenue officials have been seeking to collect taxes on gains said to have been made by Canadian individuals and companies transacting business through Canadian brokers on the exchanges in the United States.

Many of these claims antedated 1929. Many of our Canadian residents, if they did make some profits prior to 1929, suffered substantial losses thereafter, and I am informed, were called upon to pay their United States obligations; so that in the result, in some instances more money was paid into the United States than ever came out.

Mr. HANSON (York-Sunbury): Do I understand that heretofore the United States treasury has sought to impose on Canadian nationals taxes in respect of capital gains made by Canadians operating through United States brokers on the stock exchanges in New York or elsewhere?

Mr. GIBSON: Yes.

Mr. HANSON (York-Sunbury): On the theory that capital gains and capital losses are taken into consideration under their income tax law, while in Canada they are not. Has Canada at any time ever acceded to that position, and what was the result? Did these people have to pay? I had not known that the United States government had actually taxed Canadian nationals resident in Canada on capital gains.

Mr. GIBSON: There have been a great many claims, some of which have been settled, others of which have not been disposed of. As a result, Canadian taxpayers have not been sure whether the United States government was going to endeavour to collect from them or not. With this convention these claims are being dropped, and the only claim now being made by the United States government is with respect to the tax on any dividends or interest received on moneys invested in the United States.

Mr. HANSON (York-Sunbury): Does this cover taxes that were paid by some Canadian nationals prior to the settlement? Will such taxes be refunded? It seems to me they should be, in justice.

Mr. GIBSON: No; there is nothing in the tax convention providing for the refund of moneys already paid. Perhaps I might continue with my statement, which deals with these matters.

Representations were made to the United States government that such claims be not made, and for some time they were in fact not

made. However, after 1932 the United States revenue officials actively sought to collect taxes in respect of these old transactions. These claims were resisted by Canadian taxpayers on the ground that they were not carrying on business in the United States, that they were not subject to the revenue laws of the United States, that they had been informed that the claims would not be made, and in fact they were not made for many years but were, as stated, subsequently revived. Now by the convention these claims are settled on the basis of the 1936 law as modified by the 1936 convention; that is, in general, 5 per cent in respect of any dividends or interest received from United States securities, and no claim in respect of any capital gains on stock market transactions. Any person in Canada who wishes to take advantage of this convention must, within two years from the date of this convention, apply to Washington for a settlement on the basis outlined. Therefore all persons concerned should take note of this requirement. Otherwise the law as formerly asserted by the United States might now be imposed as against those who fail to make such a settlement.

Mr. HANSON (York-Sunbury): Why should that be necessary? Why should not the government deal with it?

Mr. GIBSON: Those cases are still outstanding; there was a liability under United States law, and they can still proceed against the taxpayer if they desire to do so.

Mr. HANSON (York-Sunbury): If the cases are going to be dropped, why should that not be done by express arrangement under this convention?

Mr. GIBSON: Under the terms of the convention the taxpayer who is liable under the earlier laws must file returns so that they will know he has made a disclosure of the interest he received during that period.

4. If there is any case of double taxation arising by reason of a United States company doing business in Canada, or vice versa, and the company by reason of the apportionment of profits is being taxed on more than 100 per cent of its profits, it can ask for a conference between representatives of the two governments with a view to securing an adjustment.

5. The convention also provides for an exchange of information pertaining to the payment of dividends, interest and other fixed periodic payments. This provision does not require Canada to give information respecting the income of residents of Canada.

6. If the authorities of one of the contracting states are under the belief that the other country is being used as a basis of perpetrating fiscal fraud, a request for special information may be made pertaining to the activities of any such person, and after consultation the information may be exchanged. This is designed to preclude evasion and fiscal fraud.

There are other minor features in the convention which are self-explanatory on reading, and require no special mention at this time. This convention was ratified by the senate of the United States on the 28th day of May, 1942, and it only remains for parliament to pass this resolution. The convention, it will be observed, is beneficial to all Canadians who receive income from sources within the United States by way of interest, dividends, rentals, royalties, salary, and other periodic payments, by returning to them such deductions above the rate of 15 per cent as have been made from the moneys coming to them since April 29, 1941. It is also beneficial to the revenues of Canada, inasmuch as the tax deducted at the source in the United States is allowed as a deduction from the tax otherwise payable in Canada on the same income, and the smaller the amount deducted in the United States, the greater the tax payable in Canada.

Mr. HANSON (York-Sunbury): That last statement is very interesting. Will the minister apply that principle in the case of succession duties paid as between the provinces and the dominion? I just throw out that thought, that if this is a good principle as between national governments it is also a good principle as between the dominion and the provinces in respect of succession duties. I do not expect the minister to answer that question immediately, but certainly I wish he would give some thought to it.

Mr. GIBSON: Of course there is no change in the law in that connection. That is already the case; we already permit the deduction of taxes.

Mr. HANSON (York-Sunbury): But the minister laid emphasis on it, and that thought passed through my mind as he made the statement.

I understand the reason for desiring to get this resolution through to-day if possible, because on May 28 the United States senate ratified this treaty or convention, and unless we also ratify it they will continue to charge our nationals 27½ per cent. I think it would be less than just if we were to delay the passing

of the resolution. I have tried to give it some thought, and I believe we have made a fair bargain. I am just wondering how serious is the position with respect to what I might call tax dodgers. I have in mind those people who claim a domicile, we will say, in Bermuda or in the Bahamas, but who spend the summer in Canada and the winter at Pinehurst or in Florida, who do not pay anything to anybody if they can help it. How effective is this going to be with respect to those who do not claim a Canadian domicile but who spend, let us say, 183 days here and 183 days in Florida, who flit back and forth in the expectation and hope that they will not have to pay anything? We have people of that kind, I am sorry to say, and I dare say they have them in the United States also. How effective is this going to be with respect to that class of citizen?

Mr. GIBSON: The exchange of information will undoubtedly be of assistance; and in cases where they have reason to suspect that some action has been taken for the purpose of escaping taxation, specific questions will be asked and specific information requested.

Mr. HANSON (York-Sunbury): That is back and forth, as between the officials?

Mr. GIBSON: Yes, between the governments.

Mr. HANSON (York-Sunbury): What about the man who spends 183 days in Canada and then goes to Florida for 182 days, and who does not file a return in either country? How do you deal with that man?

Mr. GIBSON: As a Canadian resident he is liable to income tax. We deal with that man by deduction at the source for national defence tax wherever the income arises in Canada.

Mr. HANSON (York-Sunbury): That would be effective to the extent that you could deduct from his income at the source, I suppose, but what about bearer bonds?

Mr. GIBSON: The same thing applies there; he cannot cash his coupons without filing the ownership certificate with the bank.

Mr. HANSON (York-Sunbury): That is just the ownership certificate; but is the bank now authorized to deduct any income tax on the presentation of a coupon with an ownership certificate? Does the law go that far at the moment?

Mr. GIBSON: No, not at the present time.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): So you have not complete machinery to deal with the tax-dodgers?

Mr. GIBSON: Well, we secure the information through those ownership certificates, so that we know who is liable for tax. Then it is up to the department to follow it up.

Mr. MacNICOL: My income tax returns were filed making allowance for a deduction of 27½ per cent on bonds which I hold in the United States. If the difference between 27½ per cent and 15 per cent is returned to me, as I presume it will be as from the date mentioned by the minister in April, 1941, then I presume the amount I receive as a rebate will have to appear in my returns for 1942, and it will have no reference to 1941?

Mr. GIBSON: That question was asked some time ago by the hon. member for Peterborough West, and at that time he was told that the department would give the taxpayer the option either of including the rebate in the year it should have been received by the taxpayer, namely in 1941, or of including it in the year in which he actually received the rebate.

Mr. CASTLEDEN: Could the minister make a statement as to how much in Canadian funds leaves this country annually in the form of interest and dividends on bonds, shares and securities, and give us the comparative amount of income from such capital coming into Canada from the United States?

Mr. GIBSON: I have not the figures showing the amount of income leaving this country. However, I have the amount coming into this country from the United States. An estimate has been prepared by the foreign exchange control board for 1941, and the incomes which would be affected include profits from subsidiary companies, taxed at the rate of 5 per cent, and amounting to 8·9 million dollars. The amount of dividend is 15·7 million dollars, and interest from bonds and other sources amounts to 6·4 million dollars. Other periodic payments, such as annuities, rents and royalties are estimated at 4 million dollars, making a total of about 35 million dollars in interest, dividends and profits coming to this country.

Mr. HANSON (York-Sunbury): Has the minister the reverse figures?

Mr. GIBSON: I have not the reverse figures, but I may be able to get them from the foreign exchange control board.

Mr. HANSON (York-Sunbury): Is it not a fact that this is really advantageous to Canada?

Mr. GIBSON: I have worked out the saving to the Canadian taxpayer, and I find that the saving from the tax on profits from subsidiary companies being reduced from 27½ per cent to 5 per cent amounts to 2·4 million dollars. The saving in tax on dividends being reduced from 27½ per cent to 15 per cent is a saving of 3·2 million dollars, or a total of 5·6 million dollars in taxes saved to the Canadian taxpayer.

Mr. GRAHAM: I understand the convention does not become operative until it is ratified by this parliament.

Mr. GIBSON: No, it does not become operative until it is ratified, but it is retroactive to January 1, 1941. The figures respecting income are on the basis of the convention operating over a full year, and also on the income figures for 1941.

Mr. CASTELDEN: Would the relative figures for 1938, 1939 and 1940 be available?

Mr. GIBSON: We could get them, I believe, from the foreign exchange control board.

Mr. NICHOLSON: The minister stated that the amount of income coming to Canadian citizens would not be disclosed. I understand that in the United States that information is published. It seems to me the time has now arrived when consideration might be given to following a similar procedure in Canada. A few days ago I had a question on the order paper respecting Major Hahn of the John Inglis company. This is a company which has received over $35,000,000 from the Canadian treasury, and yet members of parliament are not permitted to know the extent of Major Hahn's annual income from that company. If we are to decide as to a fair rate of taxation, we ought to know how much the officials of some of these companies receiving government contracts are making. It seems to me that provision might have been included in the agreement. Has the minister's department given consideration to following the policy adopted in the United States?

Mr. GIBSON: It is not a matter for my department to take into consideration. There is a provision in the Income Tax Act that secrecy shall prevail, and members in the department take oaths of secrecy every four months. If we were to give the information obtained in the department, a change in the act would be necessary.

Mr. HANSON (York-Sunbury): Has a new order in council been passed authorizing the Minister of Finance, upon application having been made to him, in a given case to lift the price ceiling on salaries? I have just learned about this matter, and I wonder if that is the condition. This sacrosanct price-ceiling policy of the governnment apparently is to be punctured in a few new places. I understand that the new order in council was passed on Saturday, and that under it it is possible to break the ceiling.

Mr. GIBSON: I know an order in council was passed with respect to employees taken on in a new war industry, who had been receiving a probationary rate of salary.

Mr. KINLEY: By permission of the minister?

Mr. GIBSON: Yes.

Mr. HANSON (York-Sunbury): In other words, we have a policy of salary-fixing by the will of the minister. But the salaries of labour and of executives are to remain frozen. However, if a man is a dollar-a-year man and becomes a salaried official, the minister may break the rule in favour of such man. It is just a matter of trial and error.

An hon. MEMBER: Worse than that.

Mr. HANSON (York-Sunbury): Yes, worse than that. It may leave itself open to all kinds of abuses and favouritism. The whole thing is wrong.

Mr. KINLEY: I think it is just the opposite.

Mr. HANSON (York-Sunbury): I say the principle of being at the mercy of the Minister of Finance is wrong. I do not say the minister will abuse the privilege; I believe he is a conscientious man. However, the whole position is wrong, and to leave the breaking of a policy to the discretion of an individual minister is not a proper procedure. Again we are being governed by order in council, and an attempt is being made to preserve a position which from the very beginning has been more or less untenable.

Mr. MacINNIS: Unless there is a very recent order in council fixing salaries, then my information, from the one I read, was that the order in council did not really fix salaries. That is, the first paragraph or two fixed the salaries, and then the remaining four or five paragraphs went on to say that notwithstanding anything set out in the earlier paragraphs the Minister of National Revenue could give increases, almost at will. That is what one must expect when there is a salaried class dealing with this matter. I am not finding fault with the Minister of Finance or the Minister of National Revenue

because, even if they were supermen, it would be impossible for them to keep within their grasp all the details with which they must deal in the course of a day. If the minister has time to read what passes, not necessarily by order in council, but by orders passed pursuant to orders in council, he would find that an individual would say "By virtue of the powers vested in me by order in council number so-and-so, I, So-and-so, order such-and-such a thing".

This is approved by superior officers, and usually their signatures are printed thereon. It states it is issued with the approval of the minister concerned. Obviously the minister concerned has not the time to go over these orders carefully and know what they mean. I imagine that what happens is that the order is brought in and laid before the minister. He asks what it means, and it is explained to him. He then says, "all right; let it go." He cannot do anything else. Wages are not only fixed by being frozen by a general order in council; they are now being fixed by an order in council issued on the express recommendation of the Minister of Labour after commissions and conciliation boards have allowed different rates of wages.

Mr. MITCHELL: That is wrong.

Mr. HANSON (York-Sunbury): Is it the statement that is wrong, or is it the facts that are wrong?

Mr. MITCHELL: The statement is wrong.

Mr. KINLEY: What has this to do with the agreement?

Mr. ILSLEY: It is out of order, but the hon. member is wrong.

The ACTING CHAIRMAN (Mr. Bradette): The hon. member has raised a point of order, but it has always been the practice to permit rather wide latitude in discussion in committee of the whole. However, I ask hon. members to keep fairly well to the resolution before the committee.

Mr. MacINNIS: I am quite willing to admit that what we are discussing has no relation whatsoever to the resolution before the committee.

Mr. ILSLEY: I just want to correct one statement.

Mr. MacINNIS: It will be out of order.

Mr. ILSLEY: What I am about to say may be out of order, but only to the same extent as the hon. gentleman has been out of order. He has been sowing the seeds of class antagonism by his reference to the fact that the salaried class would tend to favour itself when drawing up these orders. If he will examine the order setting up the national war labour board and the order setting up the salary ceiling, he will find that there is certainly no more latitude allowed to permit raises under the salaries ceiling order than there is in the other order. In fact, I think there is not nearly as much.

Mr. MacINNIS: I shall be willing to prove what I say, to my own satisfaction at least.

Mr. ILSLEY: That it was done by the salary classes who are theoretically supposed to be working for their own interests and against the interests of the labouring classes? That is not the case. The statement the hon. gentleman has made is just a mischievous accusation without any basis in fact.

Mr. MacINNIS: I agree that this subject matter is out of order, but if the minister is going to make a statement of this kind that reflects on me, I certainly must be allowed to reply. I can prove everything I said from the order in council, and I propose to do so at the proper time.

Mr. ILSLEY: The hon. member can try to do that at the proper time. When the hon. member says that care is not taken with these orders, that the ministers let them go by without knowing what they are doing, he is wrong again. Every one of these things is examined and debated and argued over. Nothing has taken more time than these orders in council, having in mind the danger of the kind of charge the hon. gentleman has made to-day. Time after time we have said, "If you do this for the salaried people, you have to do it for labour; if you put restrictions on labour, you have to put them on the salaried people." Those advocating a change in the salary-ceiling order always put it on the ground that this right was given to the workingman under the other order. If the workingman gets a promotion, he receives higher pay. If he is undergoing probationary training and he gets through that period, once he enters the period where he would normally get a higher rate of pay, he is given that pay. It was argued that a similar provision should be included in the salary-ceiling order, under which there could be a probationary rate followed by a higher rate. The salary-ceiling order is every bit as strict as the labour order. In fact, for a long time it was more strict, and I think an excellent case could be made out for its being more strict at the present time. I knew perfectly well, and the government knew that there would be certain members of this house who would say that we were favouring the salaried class, that we were favouring

directors and those in managerial positions while we kept the lid on labour. The government kept that in mind, and were careful to have an answer for every one of these charges, and those answers will be given when the time comes.

Mr. HANSON (York-Sunbury): You brought in the wages order first. Then a clamour arose, and you brought in the salaried order.

Mr. MITCHELL: When I was chairman of the national war labour board we started out to administer both salaries and wages. Then the Minister of Finance made a statement, and salaries were taken away from the board and put under the Minister of National Revenue.

Mr. CASTLEDEN: The resolution refers to the exchange of certain fiscal information, and I was wondering if the minister could give us some specific information about what is intended.

Mr. GIBSON: That is covered by article XX, which reads:

> The competent authorities of the United States of America shall forward to the competent authorities of Canada as soon as practicable after the close of each calendar year the following information relating to such calendar year:
>
> The names and addresses of all persons whose addresses are within Canada and who derive from sources within the United States of America, dividends, interest, rents, royalties, salaries, wages, pensions, annuities, or other fixed or determinable annual or periodical profits and income, showing the amount of such profits and income in the case of each addressee.

Mr. CASTLEDEN: Where will the minister get that information? Will it be deposited with the income tax branch?

Mr. GIBSON: That would be obtained from the different companies and from the banks when ownership certificates are filled out. The returns by the companies would show to whom dividends are paid.

Mr. CASTLEDEN: Those returns are available to the department?

Mr. GIBSON: They are available at all times.

Mr. COLDWELL: What is the basis of computing income tax of high officials? For example, the vice-president of the International Nickel company reports an income—I am speaking from memory—in excess of $200,000 a year. Is the place of his residence or the place from which he derives his income taken as the basis for working out the income tax?

Mr. GIBSON: I would not want to give an answer to any one particular case, but generally speaking, the basis for taxation of salaries is the place where the person resides. If the salary, however, is over $14,000, any amount in excess of that sum is not allowed as an expense to the company in computing its tax.

Resolution reported, read the second time and concurred in.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

WAR APPROPRIATION BILL

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

Hon. J. L. ILSLEY (Minister of Finance) moved the second reading of Bill No. 95, for granting to his majesty aid for national defence and security.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Ross (Calgary East) in the Chair.

On section 1—Short title.

Mr. STIRLING: Is there any significance in this bill being called the national defence and security bill? Was that the title given to the bill brought down in previous sessions generally known as the war appropriation bill?

Mr. ILSLEY: I believe so. I do not recollect what the long title of the other act was, but there has been no change.

Mr. STIRLING: Is it similar?

Mr. ILSLEY: Yes; it is supposed to be the same.

Mr. STIRLING: When the 1941 bill was before the house providing for the requirements for the fiscal year ending March 31, 1942, there was a supplementary bill for the fiscal year ending March 31, 1941, running concurrently in the house, the supplementary bill being required to balance the expenditures of the previous fiscal year. Is there such a bill this year?

Mr. ILSLEY: A supplementary bill for $135,000,000, called the Supplementary 1941 War Appropriation Act, was brought down this session. That was required to supplement the $1,300 million that was voted for the year 1941-42.

Mr. ROSS (St. Paul's): Mr. Chairman, the other night when I tried to speak on this measure I was ruled out of order. I do not know whether I shall be in order to-night or not. I see the Minister of Pensions and National Health (Mr. Mackenzie) smiling. I like to see him smile at me when I speak in this house because his smile is encouraging.

What I wanted to speak on was equality of service and equality of payment. We have a very difficult situation in Canada to-day with respect to clerical help. I do not say that each individual clerk in the house or each individual clerk in the country should not be paid what he or she is worth; but after all, we are trying to put a ceiling upon wages, and we are trying not to compete among each other for clerical help. Take, for instance, the girls who came to work in the civil service in Ottawa in the early stages of the war. Many of them came from patriotic motives and started in at a salary of approximately $70 a month. The next batch that came in got perhaps $90 a month, and the next batch, $120 a month or whatever it was. The result is that the large institutions in this country are finding it very difficult to keep their clerical help. I am not complaining about that. We will give our clerical help to the government if they need clerical help. But let us get together on a cooperative basis. As it is now, the government comes to the insurance companies, for example, the Sun Life, the Canada Life, the London Life, the the Dominion Life, the London Life, the Confederation Life, and so on, and says to them, "We need clerical help". I say: Do not come along and take our clerical help away from us, because the insurance companies are in this position, that we cannot pay our help any more than they are getting because their wages are frozen. What we have to do is to create new positions for these people. I suppose the various companies could get together and say, "We will trade you this crowd for that crowd, and we will adjust their wages." That is the only thing to do; but let the government come along to the insurance companies and say, "We need clerical help; what can you do for us?" That is what should be done instead of having the government go throughout the country taking this one and that one and raising wages. Moreover, it is an incentive to inflation. We will pay our clerical help the same as anyone else, but we should get together on a cooperative basis so that there will not be chaos, because it will come to that unless we do something. We are all in the same boat.

Mr. REID: What about the United States government? They are coming here, offering people $150 a month and taking them across.

Mr. ROSS (St. Paul's): Many young girls have gone from our institutions to Washington at $150 a month, but they have come back because the cost of living is so high that they are not as well off there as they are here. I think $70 a month is pretty low for a girl who is brought to Ottawa and has to get along in this city, with the rent and board she has to pay. I suggest that without very much trouble the government could get together with the institutions that are employing labour. Many people might take the view that life or casualty insurance is not essential to the war effort. I contend that it is essential in a sense. When one considers that a great many of the men who are overseas and others who are engaged in the war effort are protected by life insurance, it is an essential business. Not only that, but the life insurance companies have been the greatest source of our war loans. The companies collect money from the people and lend it to the government. I do not think we should have any more competition if we can avoid it. Let us get away from it. I do not begrudge these girls or men the wages they are getting, but unless we get rid of this competition I do not know where it will lead us. We shall have chaos. I should like to have an answer.

Mr. ILSLEY: If the hon. gentleman will put in a word or two the point he wants answered, I will try to answer it. I understood from him that there was some movement of employees from one concern to another. Is that the problem?

Mr. ROSS (St. Paul's): The point is that the government is competing against essential industries or businesses for clerical help.

Mr. ILSLEY: The salary rates in the civil service have been kept pretty well in line with what they have been in previous years. The classifications have not been changed. There has been a slight change with regard to those who have just come into the service or have been in for six months. The clerk grade 1, or stenographer grade 1, or typist grade 1, gets $65 after six months, and another grade was created, grade 1A, carrying a salary of $75, but that classification applied only to stenographers with two years' experience. These are not excessive salaries, and the only other concession the government has made to the changed situation, the great

demand for labour, is the cost of living bonus to civil servants. That has been kept within carefully defined limits. I believe that in some localities where it is impossible to get clerks or stenographers without raising these salary rates somewhat, the rates have been raised; but if I remember correctly, they have not been raised beyond the maximum of the classes in any case, and I am surprised to hear that the government has been offering salaries that were excessive or greater than those paid by business. I do not think that is the situation. It might happen in a few individual cases, but as a general rule the government has not outbid business at all. Business is continually making offers to those employed in the government, and we are receiving representations to the effect that unless we raise salaries we shall lose our employees. The hon. gentleman may have seen the insurance companies' end of the problem, but I do not think he has seen the government's end of it. I do not think there has been any great bidding for help either by business or by the government. We have certainly tried to keep everything under control, so that there would not be.

Mr. ROSS (St. Paul's): There is one further point about this. The minister says there is no bidding. I could give him dozens of instances where girls with no experience whatever have been taken into the services, not through the civil service commission but in other parts—

Mr. ILSLEY: Such as?

Mr. ROSS (St. Paul's): Some of the national defence services.

Mr. ILSLEY: Does the hon. member mean enlisted girls?

Mr. ROSS (St. Paul's): I know they have been taken on. If we are to have a contented community, the government cannot take on a girl who has no more experience than an ordinary filing clerk and put her in a position where she gets $40 or $50 more than another girl who has experience. I am bringing this to the attention of the government because it is important that we get this down to brass tacks. If the government want girls or men let us get together with the government and let the government say, "We want so many from you and so many from you" and so on, and we will say to the government, "All right; you take these people; we will take them back after the war, but in the meantime we will try to train some more people for you." That is logical, but at present the situation is chaotic.

Section agreed to.

On section 2—Appropriation $2,000,000,000 less $500,000,000 voted under 1942 c.9.

Mr. STIRLING: Would the Minister of Labour state the policy of the government with regard to work being done by the Japanese in the road camps?

This is the setting for my question. The minister will remember that after the California gold rush, the royal engineers sent a company round the Horn to what was then British Columbia, because it was feared that there might be rioting and insurrection among the gold miners who came up from the south. That rioting did not come to pass, and the royal engineers were put to work building roads. They built through that jungle country of the lower Fraser mainland; they built up the Cariboo and they started to build a road through the southern part of British Columbia from Hope in the direction of Princeton. This was largely for the reason that gold was being discovered in all the creeks in that southern section. All this took place something like eighty years ago. Ever since then, attempts have been made from time to time, years apart, to make a join in that road between what was started on the east end and what was started on the west end of it. Now that the government's policy is to use certain Japanese males in road camps, certain camps have been erected and are being used at both ends of that gap, which is variously described as being from thirteen to twenty miles long. As far as I am aware, they have not reached the actual gap itself, but have been repairing and improving the roads approaching the gap.

The reason why I make these few introductory remarks is that all the people through the southern part of British Columbia as far as the Alberta boundary are looking forward with great hope once more to the prospect that that road may be finished, because it would considerably shorten the distance for all that traffic. When the Japanese first entered those camps at the east end of the gap, that is forty-three miles west of Princeton, the onlookers were disappointed to find that very little work was being done. There was no machinery. They were afraid that once more they were going to look on at certain scratching of the earth without any result.

I am informed that a certain amount of improvement has taken place and that some road machinery has appeared on the spot. The minister of public works of British Columbia has all along taken a considerable interest in the matter and has stated that he has induced Ottawa to take rather a different view from that which Ottawa had taken of the value of that link from the point of view

of defence. Whether that be so or not I do not know, but he has been endeavouring to put at the disposal of those camps certain pieces of road machinery. Unfortunately, however, all such machinery is in process of wearing out, and with the difficulties of getting more machinery the department of public works of the province does not want to see that machinery worn out too rapidly. Consequently, the people are once more becoming dispirited with regard to how the progress of the work will be kept up. So I ask the minister if he will be good enough to explain the policy of the government with regard to the Japanese in those camps, the facilities which will be provided for them to carry out the work, and the quantity and quality of the work which will be required of them.

Mr. MITCHELL: First I would say we are going to press with vigour the road-building policy that is in operation at the present time.

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

Mr. MITCHELL: The building of roads. Second, there is a limit to the machinery available. In the next three or four months there will probably be going on in British Columbia more work of that kind that has for its purpose the successful prosecution of the war in that part of the dominion. However, it may be difficult to get the amount of road machinery we may require for these roads. My hon. friend can rest assured that all the machinery that can be got will be obtained.

With respect to the Japanese, personally I would rather see them employed for the relief of what one might call the acute labour shortage in certain other parts of the dominion; for instance, cultivation of sugar beets, cutting of pulpwood, and those lines of endeavour where there is an acute shortage of labour at the present time. But the slack will be taken up in these road camps. Take, for example, the transcontinental highway at Schreiber. I think that should be used as a reservoir for Japanese labour from which we can move them into pulpwood camps and sugar beet fields in western Ontario, as we are doing at the moment.

I am well acquainted with the district of which the hon. member speaks, and from my point of view I should like to see that road completed because of the quicker access it would give between the section to the east thereof and Vancouver.

Mr. STIRLING: It would be a valuable addition to the road communication in the west. It was pointed out by the hon. member for Fraser Valley (Mr. Cruickshank) on more than one occasion that the road and two railways are located very close together in the Fraser canyon, and that sabotage might produce an unpleasant situation there. This at least would be an alternative and additional road. Is there machinery available from any other source than borrowing from British Columbia?

Mr. MITCHELL: I do not know. The general machinery situation is difficult right across the dominion. That must be admitted. While we have some machinery that belongs to the Department of Mines and Resources, the procurement of other machinery at this time is not easy, particularly in view of the work on the Alaska highway. However, the hon. member may rest assured that whatever machinery we can get will be obtained in order to complete the road to which the hon. member refers.

Mr. DOUGLAS (Weyburn): When this bill was in the resolution stage the hon. member for Mackenzie (Mr. Nicholson) made an exhaustive statement in regard to the increased consumption of liquor in Canada. Nothing has been said by anyone on the treasury benches as to government policy in that regard. I do not propose to-night to go fully into the cogent arguments so well advanced by the hon. member for Mackenzie; it is hardly necessary to do so. He pointed out then that the increase in liquor consumption in Canada during the past year has been alarming. In one province that increase was as high as 35 per cent in 1941, as compared with 1940. Bodies of Canadians from the Atlantic to the Pacific have become somewhat concerned about the matter. The wartime prices and trade board, which operates under the Minister of Finance, has had to call upon the people of Canada to accept rationing of sugar, tea, coffee and many other commodities in daily use; yet here is a traffic which requires sugar, honey, cereal grains, equipment, labour and so on, the use of which is bound to take away from Canada's war effort at least to some extent. The Minister of Munitions and Supply tells us constantly of the difficulties in regard to shipping; yet, as the hon. member for Mackenzie pointed out, one firm alone in Canada exported 400,000 cases of beer.

This is a difficult thing for the people of Canada to understand. It has often been stated that the reason why more military equipment was not available at Hong Kong and the Malay peninsula was lack of shipping space; yet Mr. Philip Guest, British United Press correspondent in the far east, in his reports from the scene of conflict made the

statement that before Hong Kong was captured 600,000 bottles of whisky were destroyed, and that before Singapore fell 800,000 bottles of whisky were destroyed. Apparently shipping space had been found at some time or another for the shipment of supplies of this kind into what were potential danger zones. It is difficult for the people of Canada, who are being called upon to make sacrifices; for the children of Canada, who are being asked to do with less candy and sugar, to understand why there should be a privileged group who so far seem to have been completely excluded from the necessity of accepting any sort of rationing. Even now, when one goes into a restaurant and orders milk, he gets a glass of milk instead of a bottle, because the glass is no longer available for bottles of milk in certain circumstances. There appears to be no suggestion, however, of rationing the glass that is used for the bottles necessary for the liquor industry. When I was in western Canada a short time ago I noticed in one of our newspapers an advertisement inserted by the breweries, suggesting that people should buy a bottle of whisky and give the bottle to the Red Cross. They did not suggest to whom the whisky should be given.

I think the government ought to make some statement on this matter. I am not suggesting now that advantage should be taken of the war in order to try to introduce prohibition. That is not the question at issue at all. The point is that here we have a lucrative trade, which has grown by leaps and bounds during the period of the war and which so far has not been made subject to any form of restriction whatever, as far as we are aware; which is using materials, labour, machinery, shipping space and all the rest of it, while other commodities which are required by the great majority of the Canadian people, and some of which are essential to the welfare of the people, are being rationed and curtailed.

It seems to me that before this debate concludes, we ought to have some statement from the government, particularly from the Minister of Finance, under whom the wartime prices and trade board operates, as to just what is the government's policy. Does it propose to allow this traffic to continue, in spite of the fact that other commodities are rationed, or has it some policy with reference to the brewing and distilling interests in Canada? I wish that at some time during the debate the minister would give us such a statement.

Mr. ILSLEY: Well, Mr. Chairman, I was hoping that we might finish this bill to-night. I am not prepared to make a statement on the question raised by the hon. gentleman. As he was speaking I was wondering why he was bringing up this subject under this section. Apparently he is arguing that because there is some rationing of commodities such as tea, coffee, sugar and so on, which have to be transported long distances over water, therefore a commodity which is manufactured in Canada and of which there is no shortage—perhaps there should be a shortage of it, but there is not—should also be rationed.

I have received quite a number of letters from persons who argue in the same way, and a great many of their arguments are extremely unfair. For instance, there is the argument that the government could find space to send beer to Libya but could not find space to send equipment to Hong Kong. That argument is going the rounds in certain circles; it has an interesting sound and is being rather widely circulated. As far as finding space to send equipment to Hong Kong is concerned, of course we did find space to send equipment there.

Mr. HANSON (York-Sunbury): Too little, too late.

Mr. ILSLEY: Well, we had every reason to think the equipment would reach there in time, but unfortunately, because of certain developments, it did not. Reference has been made to beer being sent to Libya. The beer in that instance was purchased by a British government agency, not by the Canadian government at all, and the British government found space for it. As I understand the situation, there is not a shortage of space in ships going in one direction.

The same argument is used with regard to whisky coming here from England; the same thing is said about that. We did not have anything to do with arranging for the shipment of beer to Libya; that was a matter looked after by the British government. I suppose they thought it would be a good idea to get some beer to the soldiers in Libya; and while I know my statement will not meet with universal approval, I think the attitude of a great many people who think it is a crime to send beer to soldiers in Libya is wholly reprehensible. When one considers what the forces of the empire are going through in Libya, a tropical country where it is very hard to get the right kind of water, or any water; when one considers the deaths that men die who are taking part in tank warfare, I think a good many persons here in Canada who are making sarcastic remarks about the sending of beer to soldiers in Libya could be better employed.

As far as the regulation of the sale of liquor is concerned, no one comes out and says we should have national prohibition. I did not hear the remarks of the hon. member for Mackenzie the other night, but I do not think he advocated national prohibition, nor do I think anyone in any province is advocating provincial prohibition. Hon. members know that if we were to begin to interfere with the hours and conditions of sale, we would be up against certain problems. They know, too, that there is a different problem in every province. They know there is public sentiment in one province for one kind of regulation, and public sentiment in another province supporting another kind of regulation. After tremendous difficulties, tremendous heartburnings, and troubles of every kind, we finally, in this dominion, got the control of liquor on a basis of regulation by provinces, and by provincial governments, and we are going to leave it there—as long as we possibly can, anyway—because if the provinces cannot assume and discharge the responsibility of regulating the sale of liquor, then they are incapable of taking that share in the war effort which I think they are capable of taking.

I presume the reason why the provinces are not more rigid in their regulations respecting the sale of liquor is that they find that public sentiment in those provinces is not in favour of it. The point I do not understand is why persons are converging their attack on the dominion government when, in fact, the provincial governments have the responsibility. I do not know whether provincial governments wish to assume that responsibility—but I think they do. That is where those persons who are advocating a more rigid curtailment of the sale of liquor should go.

When we come to the matter of rationing I would point out that liquor is not comparable with commodities concerning which there are shortages. With regard to the use of Canada's resources—well, some grain is used, and I suppose there is some machine capacity. Practically all of it is now in those plants. It is very much limited in its use of labour, and is in an entirely different position from the manufacture of refrigerators, automobiles or other manufactured articles which directly take steel and other commodities from our war effort.

I do not say that the sale of liquor should not be curtailed. I do not say that the government should not do anything in that direction. But let us put it on the correct ground, the ground that the consumption of a large quantity of liquor by the people of the nation is bad for the nation. Do not get it on the specious ground that we should treat the sale of liquor the same as we do tea, or the same as we do coffee, or the same as we do sugar. That is a specious ground, and it is not sound reasoning. Do not put it on a ground of that kind; and do not put it on the ground that it is taking steel, machinery and one thing or another away from the war effort, because in fact it does not take nearly as much away from the war effort as a great many other things which hon. members would not argue should be stopped at all.

I am not talking in favour of the liquor interests. A favourite tune played is that the government is under the control of the distillers and brewers, and that we are repaying some kind of debt, or something like that. I do not know anything about any debt to the distillers or brewers. Their interests are the last which concern me—or concern the government, so far as I know. I do not believe that those are considerations at all; I know they are not considerations which govern.

It is a common thing to pick up a letter which says, "You have taxed everything else, but you have not taxed liquor." As a matter of fact, at the beginning of the war the duty on spirits was four dollars a gallon, and now it is seven dollars a gallon, an increase of 75 per cent. At the beginning of the war the tax on malt was six cents a pound, and it is now twelve cents, representing an increase of 100 per cent. At the beginning of the war the tax on wine was fifteen cents a gallon, and it is now forty cents, or an increase of more than 100 per cent. A charge frequently made, and about which I have patiently to write a denial, is that we have kept our hands off the liquor people, and that we have not imposed taxes on them at all. A year ago, when the budget was being prepared, I looked into the matter respecting the consumption of spirits and I found that the consumption of spirits had risen very little in 1940 over 1939. It will be remembered that the budget was brought down in the spring of 1941. I found that the consumption of beer had risen about 20 per cent, I believe it was, in 1940 over 1939, and we increased the tax on malt from ten cents to twelve cents a pound. What it will be possible or necessary to do in the future I do not know; and certainly I am in no position to make any statement to-night on the matter.

I would advise hon. members who are directing their attention to this matter to address themselves to the provinces, whose prime responsibility it is to regulate and control the liquor traffic.

Mr. HANSON (York-Sunbury): Did the premier of Ontario not suggest that this government had some responsibility in the premises?

Mr. ILSLEY: Not as I read his statement.

Mr. HANSON (York-Sunbury): What was the minister's reaction to the suggestion of the Hon. Mitchell Hepburn?

Mr. ILSLEY: I do not think Mr. Hepburn suggested that we had any responsibility. As I read his statement, it was that if the dominion were to do the regulating, probably the people would pay more attention to the regulations than if it were done by the provinces—or something of that sort. That was a sentence among some other sentences. I did not gather, and I should be very much surprised if the premier of Ontario would suggest, request or intimate that this government should step into the field of the regulation of liquor. He has taken the contrary stand repeatedly and frequently, and very recently.

Mr. HANSON (York-Sunbury): My impression was he was trying to pass the buck.

Mr. ILSLEY: I do not think he did.

Mr. HANSON (York-Sunbury): He did not pass it, but he tried to.

Mr. DOUGLAS (Weyburn): The minister questioned the propriety of raising this matter under this section. I would remind him that this section provides for the payment of this large sum of money for (a) security and defence and (b) the peace, order and welfare of Canada. I think the section is sufficiently general to warrant this discussion.

Mr. HANSON (York-Sunbury): Absolutely.

Mr. DOUGLAS (Weyburn): The minister has said that the responsibility lies with the provinces. The cold facts are, of course, that the regulation and sale of gasoline were in the same position; but when the federal government felt that the sale of gasoline ought to be curtailed, in the interests of Canada's war effort, it has no hesitation in taking action to prevent the sale of that product after seven o'clock at night—

Mr. ILSLEY: We had to have the gasoline.

Mr. DOUGLAS (Weyburn): —and the sale of it on Sundays.

Mr. ILSLEY: We had to have the gasoline to operate our aeroplanes.

Mr. DOUGLAS (Weyburn): My point is that when the federal government believes curtailment of the sale of any product is in the interests of Canada's war effort, the fact that the commodity comes within provincial jurisdiction is not permitted to interfere. The fact of the matter is that if the curtailment of the consumption of liquor is something which ought to be done, the federal government has all necessary power to do it. The minister cannot shelve the responsibility simply by saying that this is a provincial matter. This is a federal matter, in view of the fact that this country is at war. If it is in the interests of Canada's war effort to take this step, the federal government ought to take it. To avoid the whole question and to say that those who are interested should approach the provinces is just begging the question. I was surprised to hear the minister use that argument.

Then he proceeded to build up a straw man and to knock him down again, by referring to what people have said about sending beer to Libya. I was not talking about sending beer to Libya.

Mr. HOMUTH: Is the hon. member against it?

Mr. DOUGLAS (Weyburn): Then the minister referred to what he called the specious ground, that since we have curtailed tea and coffee we ought to curtail the sale of alcoholic beverages. That was not the point. The fact of the matter is that there are commodities going into the manufacture of alcoholic beverages which are required in Canada's war effort.

Mr. ILSLEY: The hon. member mentioned sugar.

Mr. DOUGLAS (Weyburn): Yes.

Mr. ILSLEY: That is used only in wines. The amount used in the making of beer is insignificant, and the amount used in manufacturing spirits is nil, so far as I can find out. Then, sugar used in wines has been rationed, as it has been in every other industry.

Mr. DOUGLAS (Weyburn): Large quantities of honey are used in making wines, and I am informed that many of the wineries have been getting under the regulations and securing large quantities of honey from the honey producers. Barley and other cereal grains required for the feeding of live stock and for the people of Great Britain are also going into the manufacture of this product. Every effort is being made to save glass; yet huge quantities are used to manufacture the bottles required for this article. It is not only a question of the shipping space that is used. The Minister of Munitions and Supply referred to the difference in the gasoline quota for central Canada and for the maritimes. He said that it was not possible to get ships to send gasoline to the maritimes and that they would have to get along with what they could produce from their own

cracking plant. The same difficulty applies here in connection with the question of rolling stock. The argument put forth is not specious at all. The minister can hardly wonder why a great many people in Canada are asking themselves why this group should be so privileged.

Mr. ILSLEY: They are not.

Mr. DOUGLAS (Weyburn): They constitute practically the only business in Canada upon which the government has not laid a heavy hand.

Mr. ILSLEY: That is not correct.

Mr. DOUGLAS (Weyburn): The government has not made out a very good case, and some statement ought to be forthcoming as to what it is proposed to do in this regard.

Mr. ROSS (St. Paul's): I am not in favour of taking away the soldier's beer. The whole thing is a matter of government policy. The hon. member for Weyburn (Mr. Douglas) has been telling us how much of this and how much of that goes into the manufacture of this product. I do not know, but if it is necessary for us to cut down the manufacture of spirituous liquors, beer, wine and everything like that, then we will do it. The men most capable of deciding whether this should be done are the commander in chief of the Canadian forces and the other commanding officers. They know more about this matter than anybody else. If they make representations to the ministers of national defence that this should be done, then the government will see that it is done. As I say, I am not in favour of taking away the soldier's beer as long as it is used within reason. However, this government should watch carefully what the provincial governments are doing and be sure that they are looking after the situation to see that this privilege is not abused.

Mr. NEILL: I have not taken any part in this debate which has lasted for some six weeks. I had determined that I would not because I thought I could best serve the country by keeping quiet and letting the session come to an end in order that the government might go on with the war work. I also had some feeling of sympathy for the tired, overworked, half-dozen members of the government who had to bear the brunt of the attack that has been made upon them. At first I thought this was a good thing because the attacks that were made were circulated through the press, and then the ministers rose in their places and explained the whole thing away, showed that what had been said was absolutely untrue or capable of suitable explanation. I thought that was the best business at the time.

But conditions are changing. As hon. members all know, I do not speak in this house for any one but the people I represent. That is to say, I speak for no party, either as the leader of it or as a member. But I do speak for the people I represent and have done so for many years. I know what they are saying; I know what they are feeling; I know what they are doing, and I know what they are hoping. I know that this all sums up to a profound dissatisfaction with the conduct of the government. No doubt in many instances this feeling is unjustified, but that is the consensus. This applies also in some measure to the opposite side of the house. The feeling in Comox-Alberni is, "for God's sake, quit talking and get on and do something."

The bickering and the talking that went on in connection with the plebiscite, the delay in taking the necessary action, incensed the people. Still they sat and they listened and they looked. When the plebiscite passed in a most decided manner they expected quick and prompt action. But they have not got it. If any country, if any body of men expected that something would happen this week, it was that Bill No. 80, to amend the mobilization act, would be brought down either to-day or to-morrow. We now find that that is not to be done because of what appears to be a misinterpretation on our part of the Prime Minister's statement. But I think we were led into it. We understood that this bill would be brought on when the appropriation resolution went through the committee. However, we are now confronted with the explanation that what was said was with reference to the passage of the complete bill, perhaps weeks hence. There was a profound disappointment among hon. members here, and I am sure there will also be profound disappointment throughout the country.

The people are demanding action now, and nothing else will suffice. This feeling is being concentrated in ill will toward the government or toward the leader of the government. But it is spreading also to a feeling of general contempt for constitutional government. The people are asking, "What are those fellows in Ottawa doing? They have done nothing for six months; they are leaving us in the lurch when we want action." This feeling is perhaps stronger in British Columbia because of our greater expectation of enemy action. I leave that thought with the government. Speaking for the people whom I represent, I urge the government to bring on Bill No. 80 and a bold, forward-looking policy at once.

As it has been mentioned to-night, I should like to say a few words about the Japanese situation. A number of these people have been moved, much less quickly than we

expected and hoped, to areas outside of the so-called restricted area, which is along the coast. But they have been located in such a way and in such a manner that the people are justifiably incensed and alarmed. I understand the idea has been to put the women in some of the ghost towns. That is all right, provided there is a guard around them. However, the able-bodied men are being put in road-building camps. Generally these roads are located along the railroad because the railroad naturally chose the best route, and the road is bound to follow. I am not blaming the government for this, but several camps have been set up in British Columbia, with two or three hundred Japanese in each. My information, which I consider is most reliable, is that these three hundred Japanese are provided with picks and saws and axes. An axe can be a very dangerous weapon if one wants so to use it. To guard these men there are three white men, each with a rifle.

If you had three guards in the penitentiary, one of them located on a balcony such as we have here, if anyone down below moved he could threaten to shoot. If he did shoot he would bring the whole penitentiary guard to his assistance. But at these camps it is simply Tom, Bill and Harry who are doing the guarding. It is true that each man has a rifle, but there is nothing to hinder the Japanese from crowding around and asking what time it is or if he would give a match. Then when the guard is surrounded a Jap could stick a knife in him. If the guards are working in three shifts, the other two men would be sleeping. If they are not working in three shifts, then things are worse; the three men would go to bed at night and leave the Japanese to do anything they liked.

It may be said that these camps are located where they could not do much harm, but wait until the right moment comes and it will be too late. I have tried to find out—but so far I have not been able to get any information—but I understand that no check is made of express parcels being sent to these Japanese. These parcels might contain dynamite or anything like that. Most of these camps are within short distances of the railroad. There is one camp in particular within a quarter of a mile of two railroads and a bridge. If one particular bridge were put out of business, the whole traffic to eastern Canada would be cut off. A Japanese with a few sticks of dynamite which had been shipped in to him by express could go down and blow up that bridge, and British Columbia would be cut off absolutely from the east. It may be said, "Oh, well, they would let us know and we would get people to them," but how would we know? The Japanese would overawe the white men and sweep down the valley taking everything in front of them.

There is another feature. The bridges are supposed to be guarded, but that is being done in the same sort of happy-go-lucky fashion. You know, Mr. Chairman, we are at war with a bitter and brutal enemy, and a vital bridge should be properly guarded. We kept a guard outside this building last summer. Air force men did guard in front of this parliament building. That was a spectacular thing, and it was all right. But guarding a bridge in war time is different. A man may be walking up and down a railway bridge, and it may be 150 feet down to the water. All that would be needed would be for someone to pick him off with a rifle, and that would be the end of him. Then his assailant could easily blow up the bridge or touch off a charge of dynamite and destroy a vital connection. This is war, real, bloody war, and we must have an effective guarding of vital bridges.

The people out there are getting all wrought up, and naturally so, and if you had a wife or daughter of the teen-age in those districts you would be concerned too. Do not have any illusions that the enemy will adhere to the rules of the Geneva convention or anything of that kind. Get that out of your head entirely, and at least make this attempt to meet the situation. Have these camps connected by telephone. Possibly they are now. If not, it could be done very easily, and there should be a telephone system connecting the men who are guarding the bridges with some central office. Of course, the blowing-up of a little culvert would not do very much harm, but a vital bridge is a different matter, and any money spent to protect these bridges would not amount to anything like what it would cost us if the bridge were destroyed. Have all the important bridges connected by telephone, and have the guards telephone to the central office—it does not matter where it may be—at fixed hours. Then, if a guard does not telephone in at the appointed hour, say eleven o'clock, you would know there was something wrong, and you could get hold of a ranger unit and ship them out to that spot. That is the way we do things in war. If the guard did not telephone from the camp or bridge at eleven o'clock or one o'clock, or whatever hours were agreed upon, the central office would know that the man had been attacked or murdered and that it would be necessary to stop the trains and turn out the troops. The expense would be a mere bagatelle, and it certainly would relieve people's minds, the wives and mothers of men who are fighting overseas for us to-day. It is their women and children whom we must

protect. It is up to us to be especially careful, and we are not being especially careful. We are having these vital spots guarded in a perfunctory fashion, like turning out a guard of honour for the lieutenant-governor. What we want is to do it as it should be done in war time. In India, where there used to be occasional raids from the hills, we had double sentries, one man marching east and another west, so that everything was always in plain view of one or the other. Let us do this thing in real war fashion and really protect these vital connections, as they are not being protected to-day.

Mr. MacNICOL: Mr. Chairman, what remarks I have to make on Bill No. 95 I can make on paragraph (a) of section 2, which reads:

2. (a) the security, defence, peace, order and welfare of Canada.

I presume that the vote of $5,500,000, under the heading of surveys and engineering branch, in the statement put on *Hansard* by the minister at page 2922, giving details of the war appropriation for 1942-43, pertains to a roadway from Prince Rupert to Terrace and to Cedarvale. I have been wondering whether this vote goes far enough. I do not think it does. I am for this road, for the purpose is to build a roadway from Prince Rupert to Cedarvale, a distance of about one hundred miles. The route from Prince Rupert to Cedarvale continues on to Hazelton and to Vanderhoof, and thence down to Prince George in north central British Columbia. After the roadway from Prince Rupert to Prince George is complete, if connecting links east were also completed, it would be part of a connection with the Alaska highway; but it ends nowhere, as far as the Alaska highway is concerned, even if it is completed from Prince Rupert to Cedarvale, Hazelton, Vanderhoof and Prince George. Whoever is in charge of the engineering plans covered by this vote should suggest a further appropriation to enable this roadway to connect central British Columbia and east of the mountains.

The Alaska highway runs from Fort St. John northerly to Dease, and thence to White Horse. All that is intended to be done under this vote is to build a road from Prince Rupert to Cedarvale. What is gained is a through road from Vancouver to Prince Rupert—all very necessary and something with which I am in hearty accord. But it does not go far enough to give a connection with the Alaska highway. Whoever authorized the plans could have gone further and submitted plans for a roadway from Vanderhoof via Fort St. James to Manson Creek, and thence through the mountains to Finlay Forks, the source of the Peace river. From Manson Creek there is no connection east. A large part of the road from Vanderhoof to Manson Creek is largely passable, perhaps by motor cars. If the hon. member for Cariboo were here, he could tell us whether the roadway is passable for cars. It is only another thirty-five miles from Manson Creek to Finlay Forks; from there east, if the roadway is carried on to Hudson Hope and Fort St. John, is a distance of approximately one hundred and twenty miles, and at Fort St. John the road would connect with the Alaska highway.

To deal with this project as this vote does, is dealing with a very important connection in a piecemeal fashion. If the government intends by this vote to accomplish a real defence, where does Alaska and Yukon defence come in under these plans, when there is no connection with the road east of the mountains and the Alaska highway, which is being built by the United States government from Fort St. John to White Horse, and then on to Alaska? I cannot understand why this vote did not go further and really get us somewhere as far as the defence of the Yukon country is concerned. The vote should have been for twice this amount, and the road should be carried through the mountains to Fort St. John to connect with the Alaska highway. There is no road from Fort St. John east. The road is completed from Peace River to Hines Creek, but from Hines Creek to Fort St. John it is not completed.

While I support this vote, I want to impress on the minister that the vote is not sufficient, and the road should go farther to connect with the Alaska highway. I see the Minister of Labour nodding his head, and he is right in nodding his head. This road does not connect up with the Alaska highway, and therefore I should like the minister to get in contact with the engineers and suggest to them that they ask for another appropriation to connect this Prince Rupert roadway at Vanderhoof with one through the mountains as outlined in the plans and specifications that accompany this vote, to Hudson Hope and Fort St. John. In that way we would have a real defence road.

Mr. REID: It might have been better if the United States had kept to route A or route B.

Mr. MacNICOL: They are prepared, I believe, to support connection through the mountains, because their engineers realize that this does not get them anywhere as far as the

Alaska highway is concerned. I believe they are ready to connect the railway through the mountains so that the railway from Prince George would extend north in the direction of Hudson Hope to Fort St. John, up to White Horse.

Mr. REID: I believe they will have to come back to one of those surveys.

Mr. ILSLEY: All I can do with such a suggestion is to bring it to the attention of the Minister of National Defence. This is a defence expenditure. It has been very carefully considered, but we should not be called upon to explain to the committee just how our defence projects in British Columbia will be used under conditions like these, and I could not tell the committee if I wanted to. It is going to be difficult enough to get the men and machinery to do this amount of work, let alone twice as much. As Minister of Finance, I had this particular expenditure examined a second time to see whether it was considered to be absolutely essential, because it is expenditures like these that put a peculiarly heavy strain on the resources of the country at the present time. But this project was represented to be necessary, and just to the extent that it is proposed. All I can do is to bring the representations of the hon. member to the attention of the Minister of National Defence.

Mr. MacNICOL: One word further. I am supporting the vote because it will assist the Department of National Defence in permitting military traffic to carry on from Vancouver to Prince Rupert. But when you arrive at Prince Rupert under present conditions with the Pacific ocean and the traffic thereon subject to torpedo attack from the Japanese, it does not get you past Prince Rupert. You have to get up to the Yukon and Alaska. What I tried to point out is that there is no connection between the road which this vote is for and the road east of the mountains, and the Alaska highway. That could be connected up by projecting the roadway from Vanderhoof, which is partly constructed, I believe, as far as Manson Creek. All that remains to be done is to go through the mountains via Finlay Forks, Hudson Hope and Fort St. John, and it strikes me that that must be done before the road will be a defensive road for the Yukon. I know that country, and I am afraid as to how it will be defended unless these roads are connected. Five and a half million dollars goes a long way and will do a good job to complete that Prince Rupert road, and it should be completed. But let us get away from the plan of proceeding by a piecemeal fashion. Let us complete something. Let us complete from the central British Columbia highway, from Vanderhoof to the east of the mountains too, so as to connect with the Alaska highway.

Mr. GREEN: I hesitate to say anything that would detract from the argument of my good friend the hon. member for Davenport, but this particular road is of the utmost importance in the defence of the Pacific coast. Prince Rupert is probably the most exposed settlement on the west coast of Canada, and yet it has no highway connection with the interior of the province. There have been roads leading to within 100 miles or so of Prince Rupert, but there has been no road leading along the lower end of the Skeena river to the city. I presume that this vote is for that particular road. It is not meant as a connection with the Alaska highway at all, but as a road to connect Prince Rupert with the interior of British Columbia, and eventually with Edmonton. For the transport of troops, equipment and supplies, it is of the utmost importance, and therefore I hope the committee will not get the wrong idea about the vote and will not regard it as unnecessary. I am sure every hon. member from British Columbia will join with me in urging the government to go ahead with that road as quickly as possible; nothing should be done to hold up the work.

Mr. MacNICOL: Evidently my hon. friend is not familiar with the north end of British Columbia.

Mr. GREEN: I am a member from British Columbia, and the hon. member for Davenport is a member from Ontario.

Mr. MacNICOL: I do not speak about something of which I know nothing. I go to see these things. In the first place, I said emphatically that I was for the proposed road because it completed the highway from Vancouver to Prince Rupert. If the hon. member did not hear me, that is not my fault. The hon. member in the course of his remarks said that it would connect with Edmonton. How will it connect with Edmonton? I am in favour of a connection with Edmonton, but you have to get through the mountains to make that connection. This road does not call for going through the mountains east, and that is what I am suggesting.

Mr. GREEN: I do not mind being given pointers by someone from my own province; the actual fact is that the work being done by the Japanese from Yellowhead pass west is to finish the other end of the road so that there will be connection with Edmonton and the prairies while this work on the Prince

Rupert end will complete the far western end of the road. My good friend has not been in British Columbia for a year or two, and he is a little out of date.

Mr. HOMUTH: The peculiar thing about this debate is that we go from alcoholic beverages to Japanese and then to roads. I wanted to say a few words before the hon. member for Comox-Alberni rose, but he was a little ahead of me. I wished to refer to two matters mentioned after he had spoken, the question of alcoholic beverages and the Japanese. In the minds of some people the first is the more vicious of the two; to my mind the second is the more vicious.

On several occasions in the last two or three weeks we have heard a great deal of criticism from members of the Cooperative Commonwealth Federation with regard to the stand of the government on the question of curtailing the sale of alcoholic beverages. I think it is time that parties who question the government on certain policies should have a policy of their own. The question arises to-day, is the Cooperative Commonwealth Federation in favour of the curtailment of alcoholic beverages? If they are, let them say so. But what they say is, "Where does the government stand? What is the government going to do about it?" You cannot debate a question by evasions and questions. I am not so sure that we are not allowing to rise in this country the same old arguments we had in the last war, which resulted, after the war, in conditions of which none of us were very proud and which eventually every province in Canada but one repudiated. If members of the Cooperative Commonwealth Federation believe there should be curtailment of the sale of beer, wine and alcoholic beverages of all kinds, let them move an amendment to have that done. If they think that space is being used in ocean carriers to carry beer to the men in Libya, and that it should not be done, let them say so. These things cannot be done by innuendo. Most hon. members recall the campaign in the last war in every province of this dominion, the committee of one hundred in Toronto, committees that were organized in other provinces. I well remember a little skit that appeared in the papers at that time, written by a man who had spent three years in the trenches in France. As I recall the words it ran something like this:

> I read of these tea and coffee blighters
> Who rave about kingdom come.
> They want to stop our cigarettes,
> They want to stop our rum.
> Water, they say, would be better.
> Water! Great Scot! out here
> We are up to our necks in water,
> Do they think we are standing in beer?

[Mr. Green.]

I remember that, and I remember the agitation for the curtailment of beer and rum to the soldiers, closing the canteens throughout all the allied nations, and then the agitation to stop cigarettes. How far would these prohibitionists go? If the time has come that we are going to talk about the curtailment of alcoholic beverages and all these things that appear to be vices in the eyes of some people or some parties in this house, let hon. members come out and take a clear stand, put themselves on record so that it is known where every member of this house stands, instead of trying to throw the responsibility on someone else by innuendo and to gain a certain amount of kudos without taking any stand themselves. It is time we took a stand on this question.

Mr. CASTLEDEN: Where does the hon. member stand?

Mr. HOMUTH: I am against them.

An hon. MEMBER: Are you speaking for your party?

Mr. HOMUTH: Whom are you talking for?

Mr. MacINNIS: I am not going to reply to the hon. gentleman who has just taken his seat, because no reply is necessary. Every province in Canada has had laws curtailing the liquor traffic. Does my hon. friend suggest that those restrictions be removed? If that is what he is suggesting, why does he not rise in his place and say so? What is the use of saying things by innuendo? One ought to talk clearly.

Mr. HOMUTH: Well, you are not very distinct.

Mr. MacINNIS: Well, that answers you anyway.

Mr. HOMUTH: You just think so.

Mr. MacINNIS: Yes, I think so; that is, provided your head is clear enough to be answered.

Mr. HOMUTH: Do not worry about my head. If I were as worried as you are, I would think so.

Mr. MacINNIS: I am not muddled through beer anyway.

Mr. HOMUTH: What do you mean by that?

Mr. MacINNIS: Anything at all you like.

The ACTING CHAIRMAN: (Mr. Ross, Calgary East): Order.

Mr. MacINNIS: While we are on this matter, I mentioned this afternoon that royal

commissions and boards of arbitration had given awards in labour disputes and that these awards were set aside and the wage rates set by order in council. My understanding is that the Minister of Labour demurs to that statement, and I wish to put the facts on record so that there will be no misunderstanding.

I have in my hand sessional paper No. 116 (a) tabled in the house on Monday, February 23 last. This sessional paper is a return to a motion made by me for:

A copy of all letters, telegrams, orders in council and other documents in the possession of the government, relating to the appointment of the royal commission on shipbuilding in the provinces of Ontario and Quebec, as well as a copy of any recommendations made by the said royal commission, and any report or reports of boards of conciliation and investigation under the Industrial Disputes Investigation Act in relation to disputes between any or all of the companies mentioned in order in council P.C. 629, January 26, 1942, and the employees of such companies.

This royal commission was appointed on September 2, 1941, and the members of the commission were: Hon. Senator Leon Mercier Gouin, K.C., Montreal; Mr. Vincent C. MacDonald, K.C., Dean of the Faculty of Law, Dalhousie University, Halifax; and Mr. F. H. Barlow, Master of the Supreme Court of Ontario, Toronto.

As I have mentioned in the house before, the commission was appointed without any consultation with labour, and there was no labour member on it. It made its report, if my memory serves me aright, on November 24, 1941.

Mr. HANSON (York-Sunbury): Will the hon. member tell us what the terms of reference were.

Mr. MacINNIS: Yes, they are in the report, as follows:

The committee of the privy council have had before them a report dated August 29, 1941, from the acting Minister of Labour, representing—

(1) That demands for increased wages and other changes in labour conditions have been made by employees of certain shipbuilding firms in the province of Quebec;

(2) That such demands either directly or indirectly are of concern to all shipbuilding firms in the province of Quebec and especially in the following: Canadian Vickers, Limited, Montreal; the Davie Shipbuilding and Repairing Company, Limited, Lauzon; and George T. Davie and Sons, Lauzon;

(3) That the firms affected are occuped wholly or chiefly on work which is essential to the conduct of the war and that a cessation of work in this industry would be detrimental to Canada's war effort and cause serious injury to the public interest; and

(4) That with a view to ensuring harmonious and satisfactory relations between the employers and workmen and promoting stable labour conditions in the shipbuilding industry of the province of Quebec, an inquiry should be made into matters pertinent to these demands in the three firms above-mentioned and in any other firms that may be designated by the Minister of Labour.

The minister accordingly recommends that a commission be appointed, under the provisions of part 1 of the Inquiries Act. . . .

Then it states who are to be members of the commission.

The minister also recommends that the commissioners have the right to determine the manner of conducting the proceedings in respect to such inquiry and to make all necessary inquiries and investigation for the purpose of ascertaining what wage or other labour conditions should be established and whether or not such conditions should be uniform in the plants under inquiry, the commissioners to present their report on the matters investigated and their findings and recommendations to the Minister of Labour; in making their recommendations the commissioners to have full regard to the wartime wages policy prescribed in order in council P.C. 7440, dated December 16, 1940, as amended by order in council P.C. 4643, dated June 27, 1941.

The minister further recommends that all fees and expenses payable to the commissioners or to witnesses or other persons who may, under their authority, be concerned in the proceedings of the commission. . . .

Then follows the usual provision found in these orders in council. As I have already mentioned, this commission made a very full report, appended to which was a schedule of wages covering all the shipbuilding plants of Ontario and Quebec. I might add that a further order in council was passed giving the commission authority to investigate the shipbuilding plants of the province of Ontario, as well as those of the province of Quebec. On January 26, 1942, order in council P.C. 629 was passed, reading as follows:

Whereas the Minister of Labour reports that a plan for the stabilization of basic wage rates in certain shipyards has been developed on the basis of the recommendations of the royal commission on shipbuilding in the provinces of Quebec and Ontario, the reports of certain boards of conciliation and investigation under the Industrial Disputes Investigation Act and various submissions from employers and employees concerned;

And whereas the minister further reports that in the interests of industrial peace it is desirable that immediate effect should be given to the aforesaid plan;

Now, therefore, his excellency the governor general in council, on the recommendation of the Minister of Labour and under the authority of the War Measures Act (chapter 206, revised statutes of Canada, 1927), is pleased to order and doth hereby order as follows,—

1. The basic wage rates for mechanics and the cost of living bonus for all employees in the shipyards, specified in the statement attached hereto, shall be adjusted as of the dates and in the amounts indicated in each case;

2. The Minister of Labour is hereby authorized to adjust the basic wage rates for other classifications of employees of the aforesaid shipyards in such relationship to the basic wage rates specified for mechanics and in such amounts as in his opinion, have regard to all the circumstances, are fair and reasonable.

That order, in my opinion, puts into the hands of the Minister of Labour the power to decide what are fair and reasonable wage rates. I have before me the wage rates recommended by the royal commission for the various classifications, as well as those in the schedule attached to order in council P.C. 629. In the Kingston, Collingwood and Midland shipyards the royal commission recommended basic wage rates of eighty cents for mechanics. In the Kingston, Collingwood and Midland shipyards the order in council lays down a basic wage rate of seventy-five cents an hour. In the case of the other shipyards concerned the same differential exists; there is very little difference. There is a difference in the wage rates of Marine Industries Limited, where the scale recommended by the royal commission was seventy-two cents and sixty-seven cents, while under the order in council the basic wage rate established for mechanics was seventy cents.

Mr. MITCHELL: I have not that report before me, but if my memory serves me right the recommendation of the royal commission was about sixty-seven or sixty-eight cents at Sorel.

Mr. MacINNIS: That is Marine Industries Limited. The recommendation of the royal commission was seventy-two cents for loftmen and patternmakers and sixty-seven cents for others. This information, in my opinion, substantiates quite definitely the statement I made this afternoon. There are a great many matters I should like to deal with in this connection, but I do not want to hold up the measure to-night, so for the time being I will let it go at that.

Mr. MITCHELL: Just to keep the record straight, it is quite true that the order in council was passed, as my hon. friend has said. I do not think this is the first time that the recommendations of a royal commission have not been accepted by the government or by interested parties. There is nothing mandatory about it; it is like the report of a board of conciliation. We were in this difficult position. I think it fair to say that the rate structures in the shipyards across Canada, largely as a result of the rapid growth of the industry, were in a chaotic condition. Shortly before I assumed office, order in council P.C. 8253, which had for its purpose the control of wage structure throughout Canada,

was made law. Then we got the report of the royal commission respecting certain shipyards in Ontario and Quebec. Then there came a report of the board of conciliation in Quebec, and the report of the board of conciliation was at variance with that of the royal commission. Might I point out that the passage of the order in council was to allay what was termed by the representatives of the men a difficult situation in the shipyards.

As I said before, rates were established by order in council. I made it clear to the leaders of the men, however, that that would not deny them the right to appeal to the national war labour board for increases in those rates, if they so desired. They made that application. The board sat on an application from the Ontario shipyards at Midland, Collingwood and Kingston, and approved the rates established by me, through order in council.

Mr. MacINNIS: Was that the national war labour board?

Mr. MITCHELL: Yes.

Mr. MacINNIS: Who is chairman of it?

Mr. MITCHELL: I am chairman of it, and I think my hon. friend knows that. I believe all hon. members know it—and if any construction can be placed upon that fact, I should like to state clearly, with respect to the national war labour board and the regional labour boards, that they are composed of nominees appointed after consultation with the dominant organizations and the dominant employer organizations of the dominion. I would not describe the nominees as representative, because they are servants of the state.

May I say to their credit that they sat down and administered an order in council with fairness and with credit to themselves and the organizations which supplied their names to the government in connection with the choosing of the respective boards.

As I said, representatives of these men filed their case with the board, and the board substantiated the wage structure mentioned in the order in council. May I add that in the Kingston and Collingwood yards the rates paid at the moment are from 50 to 100 per cent greater than what they were at the outbreak of war. The rates paid along the St. Lawrence are the highest ever paid for the grades of work done in those yards.

I know something about that because, when I was chairman of the industrial disputes inquiry commission, we went into the disputes at Mortons, of Quebec city, and in

order to justify what we thought was a fair rate we went back as far as 1914. The rates at that time were the highest that had ever been paid in the history of the yard. I am not suggesting, it will be understood, that they were fair or reasonable rates. But I think this might be fairly stated, that after setting these rates by order in council, and after seeing the written evidence from the national war labour board, the position taken by myself as Minister of Labour was vindicated. May I add that I did not cast a vote when the decision was made.

Mr. MacINNIS: Although I wanted to discuss this matter, I would not have raised it now if the minister had not suggested that what I said this afternoon was not correct.

I hold in my hand a copy of a telegram sent to the minister in connection with order in council P.C. 629 by a representative of one of the unions concerned in the Morton shipyard dispute. It is addressed to the Hon. Humphrey Mitchell, Minister of Labour, Ottawa, Ontario, and states:

On December twenty-second you requested vice-president Coyle and myself to come to Ottawa to discuss report of the board of conciliation in the Morton shipyards. After considerable discussion with deputy minister Stewart and director of industrial relations Crawford it was agreed and a proposition submitted to us in writing on December twenty-third that was to be submitted to the men with rates of wages based on report of the royal commission on shipyards and other provisions of the report of the board of conciliation would be accepted acting on your suggestion, and as a war measure this proposition was submitted to the men with our endorsement and adopted and notification was conveyed to you by telegram from myself under date of December twenty-ninth. I was considerably surprised to-day to receive word that Morton Company had posted notices repudiating our agreement. Vice-president Coyle informs me that deputy minister Stewart has informed him that the department had repudiated the conditions we agreed upon. If this is so without any recognition of our rights or consultation with us is an outrageous and unwarranted violation of our agreement and a breach of faith by a department of government and will warrant the disapproval of the workers throughout the whole dominion and bring the government into disrespect for repudiating a written agreement thereby placing myself and Coyle in a very unsatisfactory position as the men accepted our endorsation in good faith. We would appreciate some explanation of the situation.

This is signed by John W. Bruce. My information is that there was no satisfactory explanation given, and that after the department called Mr. Coyle and Mr. Bruce in and made a written agreement with them—which they asked for in writing, and which was put in writing—the Morton company refused to accept it. The next thing they knew, an altogether different proposal was put into effect by order in council P.C. 629. These are the kind of things which are disturbing the people in industry all across the country.

Mr. MITCHELL: All through my connection with the labour movement and since I have been minister I have taken the definite stand that one ought not to make a decision until all the evidence is in. At the time in question I was not feeling well—and it will be understood, of course, that I am not using that as a prop—but I am given to understand that this was the subject of consultation with the Department of Munitions and Supply which, in the final analysis, was paying the freight. I did take part subsequently in consultations between that department and the companies. I have also discussed the matter with representatives of the employees. That is about all I can say about it. I believe I have taken a fair position. The mere fact that some individual sends a telegram in which he states something, does not necessarily mean that it is based on fact.

Mr. MacINNIS: All right; if the minister says that the telegram is not based on fact, that does not concern me. That is the concern of John W. Bruce, who will no doubt be glad to hear that his telegram to the minister was not based on fact.

Mr. MITCHELL: It may be based on his understanding, but not on mine.

Mr. MacINNIS: But this whole dispute was not a question of misunderstanding among the parties concerned. The fact is that the Minister of Labour has, in the vernacular of the street, the bulge on John W. Bruce. The minister can pass an order in council making this mandatory on the organization Bruce represents.

Mr. MITCHELL: That order in council was not used as a club.

Mr. MacINNIS: Just tell that to the employees.

Mr. MITCHELL: I have told them, and they understand the situation. It is all very well for my hon. friend to rise in his place and say that I used the order in council as a club; I want to say that that is the last thing in the world I intended to do.

Mr. MacINNIS: I did not use those words.

Mr. MITCHELL: The hon. member used the word "club".

Mr. MacINNIS: No; I do not think I did.

Mr. COLDWELL: The hon. member said that the minister had the bulge.

Mr. MITCHELL: It means the same thing. There was a difficult situation existing at that time. Order in council P.C. 8253 had just been passed. The position taken by the national war labour board was that they would not make a decision until they had heard the evidence. The royal commission of which my hon. friend speaks took four or five months with its sittings and drafting its report.

Mr. MacINNIS: Three months.

Mr. MITCHELL: I felt that something had to be done immediately to allay the situation in the shipyards on the St. Lawrence and Ontario, and I took the responsibility of doing that, pointing out that these men still had the right to appeal to the national war labour board, which they did.

Mr. MacINNIS: Did the minister recommend the order in council before or after the recommendations of the royal commission were received?

Mr. MITCHELL: After.

Mr. MacINNIS: Two months after.

Mr. MITCHELL: I could not say.

Mr. MacINNIS: The date of the report of the royal commission is November 24 and the date of the order in council is January 26. It was not a matter of being held up by the royal commission; if there was any hold-up, it was after the report of the royal commission had been received in the Department of Labour.

Mr. GILLIS: If this is an Irishman's fight, I will get into it. I am prompted to rise this evening because of a question I asked the Minister of Labour this afternoon, with respect to the marketing of coal in Nova Scotia. The answers I received from him and from the Minister of Munitions and Supply were anything but satisfactory. In view of the fact that the Minister of Labour, as chairman of the national war labour board, took upon himself by means of an order in council the functions of negotiator between the unions and the employers, I am going to go into this situation a little more fully to-night. I think the whole matter has been badly handled. First, there has been a lack of a national fuel policy and, second, the negotiations carried on by the national war labour board with the miners have not been of the best.

Almost two years ago I brought up in the house the marketing of Nova Scotia coal and the necessity of that fuel as an essential war commodity. I pointed out to the Minister of Munitions and Supply that the time was coming when ships would not be available for the transportation of coal up the St. Lawrence and that the facilities on Cape Breton island for the shipment of coal to the mainland needed considerable improvement. The strait of Canso is a bottle-neck that should have been remedied some fifty years ago. The assembling yards needed considerable extension two years ago, but nothing has been done. I have written the Minister of Munitions and Supply on two or three occasions to ask if something could not be done to improve the shipping facilities across this strait in order to accelerate the transportation of coal and other necessary war materials—there are a lot of them being produced on the island—but his last communication was to the effect that because of the large expenditures being made it was not considered economical to make this expenditure at this time. The strait is only a mile wide, and it could be bridged or tunnelled. Much money has been spent in Canada in the extension of plants and so forth which were not as badly needed as is improved transportation along this particular line.

There is no excuse for the coal situation that exists in Canada at the present time after three years of war. The fuel controller broadcast that fuel would be rationed, and the Minister of Munitions and Supply stresses the fact that those using oil for domestic purposes will have to use some other fuel. The fuel board is perhaps doing the best it can as a strictly administrative body, but it is subject to orders from the department of government under which it functions. It administers regulations only, and I do not think there is sufficient latitude in the regulations to enable it to do the job it should be doing.

There is no excuse for the mines in Nova Scotia working on a three day a week basis. A short-sighted policy has placed us in the position where we have no other transportation facilities available. From time to time we eulogize our relationship with the United States. There is a market in the eastern states for Nova Scotia coal, and there is a market in central Canada to Quebec for Pennsylvania coal. Surely this situation that has now developed must have been seen months ago. I cannot understand why the fuel control board or the minister or someone else who had access to the facts and was in a position to judge the road ahead could not have arrived at some understanding whereby coal could have been marketed in the places I mentioned. Nova Scotia coal could be marketed in the New England states right into the Boston market and United States coal could be shipped by rail to Ontario and Quebec. This arrangement could last for the duration of the war. It should have been done, but it has not been done.

I am led to believe from discussion with at least one of the officials of the fuel control board that they have some plan in mind. We are, however, facing a serious situation at the present time as far as fuel is concerned. I should like to amplify the statement I made that the minister and his department through the national war labour board have usurped the normal bargaining powers of the trade union movement and that as such they must accept the whole responsibility for the negotiations that are carried on. They have taken over the functions of a union dealing with an employer. Orders in council 7440 and 8253 have definitely wedded the unions to the national war labour board instead of to the employer. Unfortunately, since that has taken place, the experience of the miners' unions in Nova Scotia has not been very happy. They had their difficulties in the past with the operators, but their difficulties have been considerably increased since they started to deal with the national war labour board. There has never been a contract signed with any degree of satisfaction since the government took over that function.

In 1940, the McTague board, appointed under order in council 7440, made certain awards. While they were not all they should be, those awards have never been lived up to. The McTague board recognized the fact that miners' wages in Nova Scotia were 7·1 per cent below the 1926-29 levels, and in accordance with the terms of reference set out in the order in council those wages should have been increased, but during the negotiations the company proved to somebody's satisfaction that they did not have the money. They have been broke ever since they came into Nova Scotia. The award made by the McTague board was a cost-of-living bonus of thirty cents a day. The board set out in their report that the company could not pay the thirty cents at that time, but that they would pay fifteen cents a day and that as their financial condition improved, the additional fifteen cents would be paid. One of the arguments which the mine-workers' union are having with the war labour board now is that the company should be forced to live up to the award made by the McTague board in 1940. The miners have been patient and long suffering, but the company now takes the position that they do not have to pay that addtiional fifteen cents and that they are not going to pay it.

Just a few weeks ago the miners' union presented a brief here which sets out their case clearly. I am not going to read it. No doubt the minister is familiar with it. What I am saying now is said from memory with reference to the McTague board award. The company owes the miners of Nova Scotia, if the McTague award means anything, a bonus of fifteen cents a day retroactive to February, 1940.

As I understand order in council P.C. 8253, the national war labour board is given no power to determine wages or bonuses based upon a company's ability to pay. It is a straight matter of fixing a cost-of-living bonus in keeping with the index as laid down by the government. That is my interpretation of the order in council. But when the miners' union met the national war labour board, the board took the position, after an examination of the books of the company by some auditors—

Mr. MITCHELL: At the request of the miners and the operators.

Mr. GILLIS: That is right. They asked for an impartial examination of the affairs of Dominion Steel and Coal Corporation and its subsidiaries and the ability of that entire organization to pay the rates asked for by the miners of Nova Scotia. The auditors made a partial examination of the coal industry, but make no mistake about this, you cannot examine coal without examining steel because they are interlocked. There were timber lands, wire-nail companies, and so forth —altogether twenty-six subsidiaries owned and controlled across Canada by the Dominion Steel and Coal Corporation, and so I say that the analysis made of the company's books was only a partial one and certainly does not give a true picture of the affairs of the company. On the surface the figures presented to the national war labour board might indicate that the company had no money, but I would call the minister's attention to what is said by a standard authority on Canadian and international affairs, a booklet called "Trend," issued on April 17, 1942, from 231 Jesse James—or St. James street, Montreal, and in it I find this observation on the financial page, "Splendid progress of Dominion Steel and Coal". This was in April. They go on to say:

> The management of this corporation was sufficiently far-sighted to rebuild and improve plants and properties very extensively before the war.

Mr. MITCHELL: You would not object to that, would you?

Mr. GILLIS: Not at all, but wait until I come to their financial position, and remember, the company maintain they are broke. It goes on:

The result of this policy has been that more than $20,000,000 has been ploughed back into the business, from earnings, since 1935. Thus Dominion Steel and Coal is well equipped to take a prominent part in Canada's war effort.

The point I make there for the benefit of the chairman of the national war labour board and the Minister of Labour is this, that you cannot examine coal in Nova Scotia without examining steel and the other twenty-six subsidiaries of this corporation. Where did they make their improvements? Did they plough back any of this $20,000,000 into coal, or did it go into industrial plants in some other part of Canada, and was it charged back to their coal operations? Is that why they are broke? That angle was not probed at all. Only coal was probed, and the decision of the board was based on figures presented by the company that they were not able to pay. If the company has ploughed back $20,000,000 it certainly did not go into the coal industry, and yet it might have been produced by the coal industry. That is something which the minister should endeavour to find out. This controversy over wages will never be satisfactorily settled until somebody is big enough to examine the financial structure of this whole organization.

I quote still further from this standard authority on Canadian and international affairs:

What this means to shareholders—there are 1,039,083 shares of no par value outstanding—is revealed by the following salient points:

1. In past five years—1937 to 1941 inclusive . . .

Do not forget that they were broke in 1941 and could not pay 15 cents a day bonus. It goes on:

1. In past five years—1937 to 1941 inclusive—net profits have averaged $1,241,000 or $1.24 a share.

2. During the same period, working capital has improved by over $7,000,000, to the current figure of $13,349,317. This is equivalent to approximately $13 a share.

3. Earned surplus amounted to $6,028,059, or nearly $6 a share.

That picture certainly does not coincide with the figures presented to the national war labour board by the auditors who made the examination and said that the company was not in a position at that time to bring the wages paid in Nova Scotia up to the 1926-29 levels as required by the order in council. So much for that controversy with respect to wages.

[Mr. Mitchell.]

I understand that the door is still open, that the mine workers' union are still negotiating with the minister, and I am merely jogging his memory on this question of the company being broke and unable to pay. I should like to know where that $20,000,000 went and where it came from. Was it ploughed back into industrial plants in Ontario and Quebec? Did any of it go back into coal? Again, if this earned surplus of $6,028,059 was earned in the five years including 1941, certainly the company could not have been as poor in 1940-41 as they made out to the McTague board and the national war labour board. I expect that the mine workers' union will be meeting with the board again, and I would ask the minister to consider whether under order in council P.C. 8253 the board have authority to determine wages and bonus on the basis of the company's ability to pay. As I read the order in council, they have not that power. They may interpret it differently. That point certainly needs clarification.

There is another point I would bring to the minister's attention, and I am doing this, not for the purpose of criticizing but because I want to be helpful and to avoid friction. I know the miners of Nova Scotia have contributed their full share in the war effort. They led the province in the last war loan. They are making the full contribution they are permitted to make to the armed forces. They are not allowed to enlist. You would get many recruits from these Nova Scotia mines if you would let the men join the army. They are a class of people who have been badly abused. Only last summer they were black-guarded over this dominion in full-page ads which stigmatized them as saboteurs, sabotaging the industry, when they were accused of sitting down on the job. But I am absolutely certain that other factors were involved there.

In the face of the situation facing us to-day, these mines are working only three days a week. There was a full-page ad in the Halifax *Herald* of April 8, 1942—I have it here, and it must have cost a lot of money—put out by the Dominion Coal company to try to prove to the public, to the government and to anyone who was ignorant of the facts that the miners of Nova Scotia were curtailing production by absenteeism and all that kind of thing.

That was in April, 1942, and here they are, a few weeks later, with 50 per cent less time being worked. There are no full-page advertisements as to the reason. They met the

miners' executive board and all they told them was, "From now on we shall be on short time", but the reasons are not made known. The people of Nova Scotia and the public of Canada are not children, and they are not going to take very kindly being treated as such. If there is a reason for curtailing production in the fuel industry and people have to tighten their belts and make sacrifices, then the cards should be laid on the table face up, and the people should know about the situation. If you can tell them that lack of shipping facilities is responsible, very well; they will take their share of the sacrifices that are necessary. But they want to be told.

In the past two or three days I have received dozens of telegrams asking me to find out from the government why mines should be working half time. What is the reason? The people there say they can get no information. Talking the matter over with some officials who have to do with the movement of coal, I find they take the attitude that either the company, or the government, or somebody in the know, should make a statement. There is no reason why the people should not be told.

With respect to the steel industry there is another thing which is militating against progress. This is a national industry which is necessary for the war effort, and instead of its being set up as a national industry under the jurisdiction of the national war labour board, who have the steel controller in Ottawa and are in possession of all the facts and figures with regard to wages and so on pertaining to steel, and where difficulties could be ironed out expeditiously with the heads of the union, the position is taken that steel is a secondary organization, and regional boards are set up across the country. In each province there is a regional board, and steel comes under these boards. These boards are dealing with matters in connection with which there are great difficulties in getting the facts. The thing should be coordinated. It is a national industry, and it should be taken under the wing of the national war labour board.

To show how silly these regulations are, or how silly somebody is who lays them down, let me mention this. Steel, a national industry, is handled by regional boards; but when we come to a little isolated salt mine in one corner of Nova Scotia, making application to the regional board for an adjustment of grievances at Malagash, the minister of labour of the province, or one of his officials, advises these people that salt mining is a national industry and comes under the national war labour board. One lone little salt mine has to come to Ottawa for redress, but a great national industry stretching across the country and essential to the war effort has to be taken apart piecemeal in the different provinces, with considerable loss of time, confusion and friction. I suggest to the minister that he should consider bringing that organization under the national war labour board.

Another thing I would express my opposition to is the manner in which the cost of living bonus has been handled. Bad as it is, it was some compensation to workers in the war industries. Under order in council P.C. 7440 they were given something to compensate them for the rise in the cost of living, and at least they held their own. They were not worse off than when the war broke out, as far as the basic rates were concerned, and in the war industries wages are to some extent higher than in the non-essential industries. Take truck drivers, clerks for your department stores, and so on—a large group of people making up a considerable percentage of the wage-earners of Canada. Their wages have always been very low. They received no cost of living bonus, and many of them have received absolutely nothing in the basic rates. When order in council P.C. 8253 was passed there was a proviso in it that led these workers to believe that they were being brought in and were to be given the equivalent of a cost of living bonus, equal to what the workers in war industries were receiving. Then there was a lot of happiness on their part. But after P.C. 8253 was passed, another order was passed that added a clause which completely wiped out any benefits that might accrue to the workers in the categories I have mentioned.

Mr. MITCHELL: I should correct that at once. It is not right.

Mr. GILLIS: It is correct.

Mr. MITCHELL: Take my word for it; it is not correct.

Mr. GILLIS: They were included to this extent, that they would receive whatever increase there was in the cost of living from the last base period. But there was no increase from the last base period.

Mr. ILSLEY: But that was all in P.C. 8253.

Mr. GILLIS: Yes, but there was an amendment—I do not have it here, and I am speaking from memory—whereby they would not receive it except in the first terms of P.C. 8253. One could read into that order in council or infer from it that these other industries would get whatever cost of living bonus was awarded to the workers who came

in under the original order, P.C. 601, I believe. I am not sure whether the last order was P.C. 601 or P.C. 609, but the point I make is that these very low-paid workers in non-essential industries, as they are now classified, have suffered the same increase in the cost of living in the last three years as other workers have suffered and they have received nothing by way of compensation to offset it. In many instances, they are working for lower wages than the wages paid workers who have been receiving the bonus. That is a rank piece of injustice. In Canada the cost of living has affected practically everyone, and it seems to me that everyone in the country should be treated on the same basis. Old age pensioners and those receiving mothers' allowances, with fixed incomes in the low income brackets, who have suffered through the increase in the cost of living, should have been compensated in exactly the same way as those who have been receiving the cost of living bonus.

Mr. ILSLEY: Those receiving bond interest?

Mr. GILLIS: If the income is sufficiently low, I would have no hesitation in saying that. If someone has an income of $1,000 or $600 in that group, received from bond interest, that person should certainly get the cost of living bonus. There should be no discrimination on that basis if that is all they take in. I have no hesitation in making that statement.

There is another matter in regard to which I would ask the Minister of Labour to tell me something. I wish he would interest himself in it. I have tried the Minister of Munitions and Supply for the last eighteen months but have not been successful. He has been very nice about it and I am not going to quarrel with him, but I have received no satisfaction. There is a machine-shop in Glace Bay. It is owned by the Dominion Coal company and employes from 300 to 400 mechanics, trained, skilled men as good as will be found in the country. In the last war that shop was engaged in producing war machinery, turning out bomb casings for one thing. It has not been utilized for that purpose in this war. The other day I made representations to the minister, pointing out that it is working on short time. The men are prohibited from taking employment in any other essential industries unless they are released. They requested, and I requested the Minister of Munitions and Supply, if it were possible, that he look into the shop and find out what use could be made of it. I made that request a considerable time ago. The minister wrote stating that an inspector was being sent for the purpose, but I never received the report. A few days ago I wrote again, and the minister said he would have the inspector go and see what could be done. At the present time the minister, or his department, is trying to adjust the grievances of the men on slack time, who are also petitioning for a release from that plant so that if they cannot be used there, they can go to another.

Mr. MITCHELL: A man can quit if he wants to; there is no prohibition.

Mr. GILLIS: He cannot go into another industry unless he can show a release from the one he is in.

Mr. MITCHELL: No; that is not so.

Mr. GILLIS: Well, I distinctly remember at Windsor at the Chrysler plant a number of skilled men were laid off due to a strike, and these men were on the road for months and months trying to get their registration changed so that they could get employment in some other industry. There must be a regulation to that effect. As I read Mr. Little's speeches, he makes that statement distinctly.

Mr. MITCHELL: I assure my hon. friend that there is no regulation to the effect he has stated.

Mr. GILLIS: Have I the minister's word that I can write to these men, some 300 to 400 trained skilled men, and tell them that they are free to leave that shop, come to central Canada and take work here?

Mr. MITCHELL: As long as they are in a war industry, there is at the moment no law or regulation that prevents a man moving around.

Mr. GILLIS: Well, they have that impression, and I had, too, that before they changed their employment they had to make application to their unemployment insurance office and get a permit to leave that industry and go into another. That is not a war industry. What I have stated is my understanding anyway, and the understanding of the men. They have appealed time and time again to the company for a release and cannot get it.

In any event I do not think it is good business. When we endeavour to lay down regulations and organize our man-power, we should know where they are going and should be prepared to place them and have a record of where they are. If they are allowed to

drift from one part of the country to another and take employment where they can get it, the registration will not be much good.

Mr. MITCHELL: My hon. friend would not object if we did that? He would think that is in the national interest?

Mr. GILLIS: I certainly would. It would be in the national interest. I want the minister to take under consideration the possibility of using these men somewhere else, or using that plant. It is well equipped and is certainly not doing much war work, no work which could not be replaced very easily, the repair of cars and some locomotive repairs. There is a large body of men there, well trained, who could take their place in war industry anywhere in Canada.

I am sorry to have occupied so much time. There is much more I could say, but I will reserve it for another time.

Mr. MITCHELL: I will endeavour to cover most of the points mentioned by my hon. friend in his informative remarks. Of course he will appreciate that with the vast amount of work being done by the national war labour board and the regional boards it is impossible to carry in one's head all the details of the complicated negotiations beween the Nova Scotia miners and employers. I would say, however, that both the miners and operators requested that the books of the firm be gone into by an independent firm of chartered accountants. I do not know of any objection being raised by either side to the firm selected, McDonald, Currie and Co., of Montreal, one of the outstanding firms of chartered accountants in the dominion. Frankly, what they found was that there was no money in the till. My hon. friend has read from another publication. It might be the advertising medium of some bond house. It must be clearly understood that nothing I would say about coal miners would be anything but to their credit, because the men who go into the bowels of the earth have a hard job. Very few people would care to undertake it, although miners get it in their blood, and men who come from the old country drift into the mines again even when there is opportunity to get employment elsewhere. I am not saying that their wages are high enough, but they are the highest ever paid in the history of the industry, and the full cost of living bonus is being paid. There are two exceptions, two subsidiaries where there is some back pay coming. That was made possible by an increase in the price of coal to the consumer.

That is the picture as we saw it. I have no brief for the kind of advertisements issued by the company. I think they are unnecessary under present conditions. The most important thing in Nova Scotia is, to my mind, to get the negotiations based on what I think is the only basis on which trade union negotiations can be successful; that is, on character and good faith on both sides. If the national war labour board has done anything to assist in that direction, I believe its institution has been well worth while.

My hon. friend knows of the trials and tribulations that have existed between employers and employees in the coal mines of Nova Scotia. He can rest assured that if in my small way I can assist in having negotiations carried on in a more friendly manner than in the past, I will do everything I can.

I was very much impressed with his suggestion as to the possibility of shipping some of this coal to the United States. If my hon. friend had the information that the government has, he would see the difficulties, matters over which we have absolutely no control, due to lack of certain transportation that existed in past years. We hope that difficulty will pass away, but at the moment it is a problem that neither I, nor he if he were in my place, could overcome.

The hon. member also brought up the question of steel being a national employer under the national war labour board. I played some part in drafting the order in council and the regulations that set this, what I consider a courageous policy, in motion. We had to decide what would be national organizations and what would be regional organizations. We came to the conclusion that certain dominant trades or callings that in years prior to the outbreak of the war had come within the jurisdiction of the Industrial Disputes Investigation Act were probably about as much as the national board could handle. I feel that after the war the provinces will demand their constitutional rights and prerogatives, and wages and hours of labour being generally understood to be within the jurisdiction of the provinces, we considered that it was much better to let the provinces work in their own field rather than that the federal government should invade it. I might say also that the attitude adopted by the provinces, their willingness without exception to cooperate, is an exemplification of the will of the Canadian people to give every aid possible to the successful prosecution of the war and the formulation and undertaking of such policies as we think necessary in that regard.

Might I also pay tribute to the employees' organizations as well as the employers'

organizations? I never thought I would live to see the day when the three dominant labour organizations of this country would even sit down together in a room, let alone sit round a table and carry out the arduous duties arising out of decisions on applications from labour organizations and employers' organizations in connection with the very difficult problem of wage negotiation. I may add this, that up to date the national and regional boards have rendered decisions in over five thousand cases; and I think this should be said in favour of the employers, for goodness knows they are hammered enough, that, strange to say, the great majority of the applications have come from employers who want to increase the wages of their employees.

May I add this, incidentally. I believe that on the basis of trial and error we can fashion, through the instrumentality of the national and regional boards, a wage policy which will reflect credit on our good sense and lay the basis of what one might term a permanent institution of wage negotiation in this dominion. I might say also—and I think history will judge us in this regard—that the launching of the price and wage policy of the federal government was the most courageous legislative act on the home front in the history of this or any other democratic country. Let us not forget that we can lose a war by inflation just as easily as we can lose it through lack of equipment with which to fight the war.

Mr. GILLIS: If the minister would answer one question, what does he mean by inflation? Does he mean that increasing wages would cause inflation?

Mr. MITCHELL: I know many people are afraid of the word "inflation". From the viewpoint of the working class, inflation is the high cost of living; that is how I would express it.

Mr. GILLIS: What would bring it about?

Mr. MITCHELL: Perhaps the hon. member will wait until I have finished. I am trying to give an extemporaneous talk, and I do not want to lose the thread of it. The price and wage policy treats everybody alike; it is based on equality. I belong to a powerful trade union, as the hon. member for Vancouver East does. It is no great trick for my organization—

Mr. MacINNIS: Yours is far more powerful than mine.

Mr. MITCHELL: Certainly it is; and I am speaking about a trade union, not the labour department.

Mr. MacINNIS: The wages are higher.

[Mr. Mitchell.]

Mr. MITCHELL: Certainly they are, and that is why I am going to make this point. It would be no great trick for my organization, when the cost of living began to rise, to go to the employers and say, "Stand and deliver."

Mr. COLDWELL: Is that the cabinet?

Mr. MITCHELL: No; it is the engineers. This policy treats everybody alike. It treats the lowest paid and the highest paid worker in the same way. I think that is equality of treatment, based on the fundamental practice which we regard as one of the corner-stones of our civilization; that is, that you cannot have different laws for the rich and the poor dealing with the same subject. I think it can be fairly said that some people are inclined to be disappointed if a policy works. I believe this policy is working on all six cylinders to-day. During the same period in the last war the cost of living increased by something over 12 per cent. Since last October the cost of living has increased by ·4 per cent, which in effect is an increase of 12 per cent in the purchasing value of real money.

Mr. MacINNIS: If the cost of living remains stationary, and wages remain stationary, does the minister say there is an increase of 12 per cent in purchasing power?

Mr. MITCHELL: In comparison with the last war.

Mr. MacINNIS: But we are not dealing in comparisons with the last war.

Mr. MITCHELL: That was what I said.

Mr. MacINNIS: The fellow who was only getting 30 cents an hour is still getting only 30 cents an hour.

Mr. MITCHELL: He would not be getting 30 cents in purchasing power if the cost of living had gone up 12 per cent.

Mr. MacINNIS: But his wages might have increased also.

Mr. MITCHELL: That is so.

Mr. DOUGLAS (Weyburn): The cost of living did go up between the outbreak of war and the introduction of the government's policy.

Mr. MITCHELL: Yes, by fifteen points.

Mr. DOUGLAS (Weyburn): And the poorly paid man received no compensation.

Mr. MITCHELL: That is what I want to develop. I want to be very frank about this. I would not support this if I did not think it was going to benefit the chap who cannot help himself. That was why the policy appealed to me. Take the people on old age

pensions, the people receiving mothers' allowances, the men and women receiving workmen's compensation benefits, the dependents of soldiers, sailors and airmen, the soldiers, sailors and airmen themselves, and that great class in the country who live on fixed incomes—I am not talking about incomes in the higher brackets—those people who are almost defenceless when there is an increase in the cost of living index. I sincerely believe that through this policy we have maintained the morale of those people at a level which did not exist in the last war.

Mr. NOSEWORTHY: On the basis of the minister's reasoning, should these people not be entitled to the cost of living bonus that industrial workers are paid, at the initial stages?

Mr. MITCHELL: It is permissible under the order, but not mandatory.

Mr. COLDWELL: But the government has not implemented it.

Mr. MITCHELL: Oh, absolutely.

Mr. COLDWELL: Not for old age pensioners, soldiers' dependents and the other people of whom the minister was speaking.

Mr. MITCHELL: I agree with that, but the hon. member will see the force of my argument, and he will appreciate the effect on the morale of the people. Just suppose we let the cost of living go, as we did in the last war, when it increased something like 97 per cent between 1914 and 1920. I have a very clear recollection of that; and even the most powerful trade unions on the north American continent never caught up with the cost of living. I think it is far better to stabilize conditions, as we are trying to do, than to permit a condition similar to that which existed during the last war. After all is said and done, if you see a thing in operation it is much more vivid than any idea you get from reading a book. I have a very clear recollection of some of the conditions created in Germany after the last war by the inflationary movement.

Mr. COLDWELL: In 1924.

Mr. MITCHELL: Yes. I want to say also that when the Dawes commission went to Germany and asked the opinion of the trade union leaders on the subject matter of their discussion, those leaders said, "We will suffer anything but a return to inflation." I am not suggesting for a moment that we would have an inflationary movement similar to that which took place in Germany. I would say, however, that if inflation could be controlled anywhere in the world, it should have been controlled in Germany, because the German people lend themselves to discipline and regimentation more than do the people on the north American continent.

Mr. BLACKMORE: They lacked goods.

Mr. MITCHELL: I am not going to get into that argument; some other night.

Mr. BLACKMORE: I will be ready for you.

Mr. MITCHELL: I will be ready for you, too. I can tell you a good story about the inflationary movement in Germany. Do not forget this, that money is not money unless it is hard to get.

Mr. BLACKMORE: And money is no good without goods behind it.

Mr. MacINNIS: Some people get it quite easily, and get along very well.

Mr. MITCHELL: That is quite true. Perhaps some would say that my hon. friend and I get it too easily.

Mr. MacINNIS: Perhaps we do, relatively.

Mr. MITCHELL: I just leave that thought with hon. members. I think I have covered all the points raised by my hon. friend, and later I shall be glad to take up the question of the shipment of this coal. If I have missed anything, I shall be glad to endeavour to answer it.

Mr. MacINNIS: Before the section passes—

The ACTING CHAIRMAN (Mr. Ross, Calgary East): Order. The hon. member for Queens-Lunenburg has the floor.

Mr. KINLEY: I was interested in the remarks of the hon. member for Cape Breton South, who comes as I do from Nova Scotia. I was particularly interested in that part of his remarks which suggested that he had foreseen the difficulty of getting Nova Scotia coal into central Canada, and that under present conditions it would be a good thing if we permitted the United States coal to come into this part of Canada, and find a market in the New England states for part of the Nova Scotia product.

For many years I have heard about the New England market for Nova Scotia coal, but I never saw it realized.

Mr. GILLIS: We had it until the last war.

Mr. KINLEY: I was interested in provincial government, and I heard many controversies about the coal situation in Cape Breton. I never believed that the Boston market was very good for Nova Scotia coal.

Mr. HANSON (York-Sunbury): I saw it going from Springhill, when I was a boy.

Mr. KINLEY: In the days of wooden ships. One way to allow United States coal to come into this part of the country is to stop the subvention on Nova Scotia coal. Every ton of coal which comes here from Nova Scotia is paid for, to some extent, by the government of Canada. It is a national policy in connection with coal, in order to bring coal to this part of the country. It seems to me that the people of Cape Breton would be loath to have any arrangements which would stop any of the subvention on coal coming into this market.

We are told that the difficulty is connected with shipping. It is said that there is a lack of floating bottoms to take the coal. If we are to get the Boston market now, we must move the coal by rail to Boston, and naturally that would require a subvention. Anyone who knows anything about the difficulties in connection with customs, trade agreements and that sort of thing would hardly suggest that we could give a subvention on coal going into the United States market.

My opinion as to the success of the Nova Scotia coal fields is that as far as possible we should procure the upper Canadian market, and that involves water-borne transportation. It may be that some of our lake shipping that is not subject to the hazards of the Atlantic could now be used for the purpose of bringing that coal to central Canada in the summer time.

The hon. member also speaks about the bridge across the strait of Canso. That is an old subject, too. I think members of this house have asked for a bridge, and I have heard the matter discussed in the legislature of Nova Scotia. The gut of Canso is a rather deep waterway. Ice conditions in the spring are considered to present an engineering difficulty. While I believe everybody in Nova Scotia would like to see a bridge across the gut of Canso, in order to serve Cape Breton, I think the difficulties were such that engineers were slow to move. Our Canadian National Railways were so burdened with debt in the last decade that no one would suggest that they should take on more obligations by way of capital expenditure.

The hon. member speaks about the release of men. He suggests that the government should release men from a certain plant to work in another. In so far as I know, labour moves freely in Nova Scotia from one plant to another.

Mr. GILLIS: You do not know much about it, then.

Mr. KINLEY: They move freely when they can get better wages. While there is a wage ceiling in Nova Scotia, as in the rest of Canada, it must be realized that the wage ceiling to which the employer and employee are tied is the wage ceiling of the locality in which the employee lives, and the wages paid in that locality during a certain period. So it may be seen that when other industries are at a higher wage level they can entice men. As far as steel and coal are concerned, I believe there is a wage scale at least as high as almost any other in Nova Scotia, with the exception of a restricted area round Halifax, where many of us do have a complaint in that the government through the naval department breaks its wage ceiling and entices men who are repairing ships in private plants to come to the government's service. They are or were not restricted to the price ceiling.

Mr. HANSON (York-Sunbury): That is all through the government service.

Mr. KINLEY: My hon. friend has complained about the cost of living bonus. That was a difficulty, but I do not think it depends on a man's prosperity or his salary. I think it was 25 cents a week for each point that the cost of living index went up, and a company that paid before a certain time had to raise their index. Companies which paid nothing must justify their position before the regional wage board, because either the men or the company can apply to the regional board for the purpose of fixing the cost of living bonus. The man who receives $2,000 a year gets the same cost of living bonus as the man who receives $1,000.

My hon. friend said that the salt mines were considered a national industry, and that steel was under regional labour boards in Nova Scotia. He may be right in that. I know that the regional labour board is composed of men representing employers and employees in Nova Scotia. If you take the steel industry out of the industrial life of Nova Scotia, you are taking out a big part and you would scarcely have a representative board, or one which would be representative of the activities of Nova Scotia.

Mr. GILLIS: I should like to correct the hon. member, if I may.

Mr. KINLEY: All right; I do not know what the hon. member wishes to correct, but—

Mr. GILLIS: If I wanted to, I could tell him a lot.

Mr. KINLEY: Well, if the hon. member wishes to ask a question, all right.

Mr. GILLIS: I would like to have a chance to reply to him, when he has finished.

Mr. KINLEY: I was speaking about the steel industry—and I do not know what my hon. friend should take exception to. I had said that if you take the steel industry away from the regional boards in Nova Scotia—

Mr. GILLIS: I will tell you, when you have finished, what you do not know about it.

Mr. KINLEY: When you take away the steel industry you are taking away a big percentage of the industry of Nova Scotia. There may be some point in what the hon. member has said with respect to salt, and that steel is as much a national industry as is salt. That may be true.

In so far as steel and coal are concerned, I was always led to believe that coal did carry steel. That was the story in Nova Scotia many years ago. But we must all realize that the steel industry was a hard industry to start in this country. Years ago this government bonused steel, to a great extent. I think the people of Cape Breton felt that with the natural resources of coal they would build up a secondary industry with steel, and the reason they could build it up was that they had the coal.

I am not for one moment saying a word in defence of the corporations in charge of steel and coal in Nova Scotia. I had to deal with their problems many years ago when I was in the Nova Scotia legislature. Many changes were made from time to time, and it may be that the repairs they say they are putting on their plants, to show a loss, are the result of present-day auditing methods which have become so important and so specialized in these days. At the same time the hon. member's remarks relate to the regional boards in Nova Scotia. I believe both steel and coal are represented. With a local knowledge of conditions and with men on it who represent the industry, I believe the miners of Nova Scotia will get a better deal from their own people than they would from the outside.

I cannot think of anything else the hon. gentleman said in so far as Nova Scotia is concerned with which I cannot agree. He was rather reasonable in his presentation. He has spoken from the point of view of those he represents, and it is commendable that he should do so. At the same time there are economic problems that do not always appear on the surface, and it seems to me that before a discussion of this sort goes out to the public we should be careful that the thing is analysed in an intelligent way that is representative of the true idea of what the people want.

Mr. GILLIS: It is no surprise to me, after listening to the hon. gentleman, to find out exactly why Nova Scotia ends at Halifax. It is also not surprising that everything east of Halifax is back about fifty years in comparison with the rest of Canada. The hon. member makes the observation that he has heard this question of bridging the strait of Canso raised in this house for a number of years. I raised it two years ago, and it would be very handy to-day as a war measure. I think the hon. gentleman either misunderstood what I said or has attempted deliberately to put another construction on my words. He seldom speaks in the house until someone else bases an argument for him. I notice he is touchy when one begins to analyse Dominion Iron and Steel and Coal. Perhaps he is closer to them than I am.

Mr. KINLEY: No; I am not.

Mr. GILLIS: When he sets himself up as their defender with respect to the marketing of coal in the United States I say that he deliberately misconstrued what I said.

Some hon. MEMBERS: Order.

Mr. KINLEY: The hon. member cannot say that I deliberately misconstrued what he said. I did not intend to misconstrue anything.

Some hon. MEMBERS: Withdraw.

Mr. GILLIS: What is the matter? Withdraw what?

The ACTING CHAIRMAN (Mr. Ross, Calgary East): The hon. member should withdraw his charge that the hon. member deliberately misconstrued his remarks.

Mr. GILLIS: I will withdraw. When the hon. member tries to ring in the question of subventions, which he knows is a touchy one in Nova Scotia, he does it for political purposes. I did not mention subventions in any way, shape or form. I realize that the fuel situation in Canada was an emergency, but apparently he does not. When I suggested the transfer of markets I did so in order to facilitate Canada's war effort. I was not thinking in terms of after the war or profits for corporations or subventions or anything along those lines. Some of my hon. friends who preach a good-neighbour policy seem to have very little faith in that policy. They say that we may not be able to do this after the war; that we may not be able to do that after the war. If we do not get busy and do something about the war, we shall not have anything to say about what we shall or shall not do when the war is over.

I mentioned the transfer of markets as something that would take care of what I considered was an emergency fuel situation.

I have no criticism to make of the audit that was made except to say that one cannot examine Dominion Iron and Steel and Coal and determine the wages of coal by simply making a partial examination of the coal end.

Mr. MITCHELL: I might say to my hon. friend—and this is not said in any spirit of criticism—that there was no objection by the miners. They did not raise the contention he has raised. They asked for the audit, and there was general agreement that the company that was employed was a fair company. The thought the hon. gentleman has brought into the discussion was never raised before the national war labour board.

Mr. GILLIS: The workers representatives are far from satisfied with the decision of the board. The argument I am making to-night is my own, based upon my knowledge of the situation. My criticism of the audit was not that the auditors were incompetent—

Mr. KINLEY: I did not say that.

Mr. GILLIS: The minister implied it. My criticism was not that they did not do the job they were sent to do. I simply observed that one cannot determine the ability of the Dominion Coal Company to pay without considering their twenty-six subsidiary organizations across the country. They can transfer capital from one to the other; they can plough back money from coal into steel, into wire nails, into timberlands, into railroads and shipping or into anything else that they control and show it as operating costs against coal. If you do not probe coal and steel and consider their relationship to the subsidiary organizations, you do not get a true picture of the financial standing.

I think it is a small job for a member from Nova Scotia to sit down with his pencil and attempt to pick flaws in anything I may have said with reference to the interests of the province. Dominion Iron and Steel and Coal has a large staff of experts who are quite capable of taking care of their interests without that kind of cooperation from a member from Nova Scotia. I do not care where a member sits in this house or to what party he belongs; if he is advocating something in the interests of Canada, I am with him.

Mr. KINLEY: Does the hon. member not believe in free discussion? I was most courteous to him and simply pointed out that the subventions had enabled us to get coal into these markets. I suggested that if we wanted to get United States coal into this country, all we needed to do was to take off the subvention.

I said that I did not think the people of Nova Scotia wanted the subventions taken off.

Mr. GILLIS: The hon. member fails to recognize the fact that the mines in Nova Scotia are working only three days a week.

Mr. KINLEY: Take away the subvention and how many will they work?

Mr. GILLIS: The hon. member has not the slightest idea of what he is talking about. You are subsidizing United States coal right now into those two markets and you are rationing your fuel.

Section stands.

Progress reported.

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

Tuesday, June 9, 1942

The house met at three o'clock.

STANDING ORDERS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. W. H. GOLDING (Huron-Perth) moved:

That the second report of the standing committee on standing orders, presented on June 4, be concurred in.

Motion agreed to.

FOREIGN EXCHANGE

AGREEMENTS WITH FRASER COMPANIES AND BELGO-CANADIAN IMPORT COMPANY

Hon. J. L. ILSLEY (Minister of Finance): I table copy of agreement made under the War Exchange Conservation Act between His Majesty the King in the right of Canada and the Fraser Companies Limited; also copy of agreement made under the War Exchange Conservation Act between His Majesty the King in the right of Canada and Belgo-Canadian Import Company Limited.

ALBERTA NATURAL RESOURCES

AMENDMENT OF TRANSFER AGREEMENT RESPECTING ROYALTIES ON OIL PRODUCTION—OPINION OF DEPARTMENT OF JUSTICE

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I desire to ask the hon. gentleman who is leading the house (Mr. Crerar) whether as a result of the discussion which took place here in committee on previous occasions with respect to the Alberta Natural

Resources bill, he has requested the Department of Justice to give an opinion on the legal question raised, for which I asked, and which so far has not been brought down with the correspondence?

Hon. T. A. CRERAR (Minister of Mines and Resources): The question mentioned by my hon. friend was referred to the Department of Justice. I hope to have their opinion to-day. We have been pressing for it for the last five or six days.

HONG KONG COMMISSION

PRESS REPORTS OF STATEMENT OF COLONEL DREW WITH REGARD TO COMMISSIONER'S FINDINGS

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the Minister of Justice. What steps do the government intend to take in view of the serious attack which has been made by Colonel Drew upon Sir Lyman Duff, Chief Justice of Canada, whose findings on the Hong Kong expedition were made public in the house on Friday last. It is not my intention to read the dastardly statements appearing in the press, but the attack upon the judiciary of Canada, especially that upon the chief justice, to my mind should not be allowed to go unchallenged. Therefore I ask the government what they intend to do to protect one of the chief bulwarks of our democratic institutions against attacks of this kind.

Mr. DOUGLAS (Weyburn): In this case he is not the chief justice; he is a commissioner.

Hon. L. S. ST. LAURENT (Minister of Justice): I am afraid I am not in a position to give a complete answer to the hon. member this afternoon. My attention was attracted to a press dispatch purporting to contain certain extracts from a statement made by Mr. Drew. I asked the officers of the department to secure if possible the complete statement and to examine it and give me a report. As yet I have not received such report.

Mr. HANSON (York-Sunbury): There was no attack on the Chief Justice of Canada.

Some hon. MEMBERS: Yes, there was.

Mr. HANSON (York-Sunbury): No. Sir Lyman Duff is an old friend of mine, and I say advisedly that there was no attack on the Chief Justice of Canada. There may have been an attack on the royal commission and the report of a royal commissioner, which is an entirely different matter.

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Some hon. MEMBERS: No.

Mr. HANSON (York-Sunbury): Absolutely, yes.

Mr. POULIOT: The commissioner and the chief justice are two different persons.

CANADIANS IN JAPAN

PRESS REPORT AS TO ARRANGEMENTS FOR EXCHANGE OF UNITED STATES-CANADIAN AND JAPANESE NATIONALS

On the orders of the day:

Mr. H. C. GREEN (Vancouver South): I should like to direct a question to the Prime Minister. In view of the fact that he is not in the house at present perhaps the Minister of Mines and Resources will bring it to his attention.

In yesterday afternoon's press there appeared an Associated Press dispatch from Tokyo to this effect:

> The Italian liner *Conte Verde* is expected to sail from Shanghai about June 15 with 650 Americans and Canadians being repatriated in exchange for Japanese nationals interned in North America, Domei reported to-day.
>
> The news agency said previous announcements that a second ship, the *Asama Maru*, would accompany the *Conte Verde* with other British and American citizens was in error.
>
> The transfer of nationals will take place at Lourenço Marques, Portuguese East Africa.

I should like to ask the Prime Minister whether this is an exchange of diplomatic and other officials only, or is it the beginning of the exchange of nationals without official status, referred to by the Prime Minister on March 18 at page 1413 of *Hansard*, when he used these words—

Mr. SPEAKER: Order. I think the hon. gentleman has stated his question.

Mr. GREEN: I want to quote just two lines from *Hansard* to clarify the question.

Mr. SPEAKER: I was rather in doubt as to whether the question should not be placed on the order paper, but as I had some doubt I thought the hon. member should be allowed to continue. Now that the sense of the question has been indicated I would ask the hon. member not to elaborate upon it.

Mr. GREEN: Then I should like to know also how many Canadians are included in this group of 650.

Hon. T. A. CRERAR (Minister of Mines and Resources): I shall see that the hon. member's question is drawn to the attention of the Prime Minister, and probably he will be able to make a reply to-morrow.

LABOUR CONDITIONS

REQUEST FOR APPOINTMENT OF GOVERNMENT CONTROLLER AT DUMART PLANT, KITCHENER

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I wish to direct a question to the Prime Minister. Perhaps the Minister of Mines and Resources would draw it to his attention, or the Minister of Labour may be able to answer it now. Has the Prime Minister received a submission from the employees of the Dumart plant in Kitchener requesting that a government controller be put in charge, in order that operations at that plant may be resumed immediately; and, if so, what decision has been reached?

Hon. HUMPHREY MITCHELL (Minister of Labour): I have received a copy of the submission, and the answer is that there will not be a government controller placed in the Dumart plant in Kitchener.

PRIVILEGE

MR. ROSS (MOOSE JAW)—CBC NEWS BROADCAST RESPECTING WAR APPROPRIATION BILL

On the orders of the day:

Mr. J. G. ROSS (Moose Jaw): On a matter of privilege, Mr. Speaker, last evening at ten o'clock the Canadian Broadcasting Corporation carried a news item to the effect that the war appropriation bill had been given first and second readings in this house while less than twenty-five members were present in the chamber. I was present at that time, Mr. Speaker, and that statement is incorrect. There were many more than twenty-five members in this chamber at that time. In giving news reports in regard to this House of Commons, the Canadian Broadcasting Corporation and all others who distribute news throughout this country should be very careful to give correct reports. Whoever prepared that report should have known that an important ceremony was taking place in front of these buildings at which His Excellency the Governor General was present; that on the platform with His Excellency were the Prime Minister, the Leader of the Opposition, several of the cabinet ministers and many members of the House of Commons, and that it would have been a matter of discourtesy for them to leave the scene before His Excellency left. I believe a report of that kind should be corrected, and that those responsible for such reports should be reprimanded by whatever minister of this government has the right to reprimand the Canadian Broadcasting Corporation.

[Mr. Crerar.]

WAR APPROPRIATION BILL

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

The house resumed from Monday, June 8, consideration in committee of Bill No. 95, for granting to his majesty aid for national defence and security—Mr. Ilsley—Mr. Bradette in the chair.

On section 2—Appropriation $2,000,000,000 less $500,000,000 voted under 1942 c.9.

Mr. ROY: Mr. Chairman, with my limitations in the English language it might have been better if I had addressed the committee in my maternal tongue, but in order that all hon. members may follow what I have to say I shall try to express myself in English. I should like to offer a few short comments under this bill which provides $2,000,000,000 for the defence, security and welfare of Canada. For the benefit of the members of the war cabinet may I recall what I said in this house on May 6, 1941, with regard to oil possibilities in the Gaspe district. I quote from page 2822 of *Hansard* of that date:

I have already referred to the possibilities of oil bearing areas in the Gaspe bay surroundings. From 1860 up to 1901, with rudimentary machinery, fifty wells have been drilled at a relatively small depth. One can read with profit and interest the records on each of these drillings and their oil output in the annual report of the Quebec bureau of mines for 1929 by Mr. William A. Sparks. Oil occurrences can be found to-day on the surface of the soil in many places over an area of six hundred square miles. In his 1929 report, Mr. William Sparks writes this on page 7:

"The occurrence of oil in small quantity has been fully established, with the result that the district has continued to attract attention and it must still be regarded as a possible source of oil on a commercial scale."

And here is what we read in a recent report by the joint engineers, Doctor I. W. Jones and Mr. H. W. McGerrigle, for the year 1937 at pages 36 and 37:

"There is some oil of good quality in this region, as has long been known. . . . The region is recommended to the serious consideration of those in search for oil."

By reason of the imperative necessity imposed by actual events of attempting to discover new sources of oil, and, by recalling the past policy of Great Britain in investing large capital to develop oil wells in Roumania, Iraq and many other well known countries, I deem it is the government's duty to undertake forthwith the drilling of such areas in Gaspe as are recommended by these engineers.

According to quotations I have lately received from Robert McMaster and Sons, of Onondaga, Ontario, the drilling of a 7,000 foot well—the probable oil bearing depth—could be undertaken at a cost of $78,000. The investment of $500,000 would then permit the drilling of seven wells which could be concurrently done

and completed in eight months time to supply, thereafter, at Gaspe seaport, the navy and the air force, with oil which at that time might have become scarce elsewhere.

As a matter of fact I believe oil has become quite scarce since that time. On many occasions since last May I have tried to call to the attention of the government the necessity of making some search for oil in that region. I turn now to sessional paper No. 140, in which appear certain questions and replies in connection with this matter. The following question appeared in issue No. 21 of *Votes and Proceedings*:

1. In view of recent military developments, has the government given any consideration to the fuel oil problem?

2. If so, what consideration has been given to the possibilities of exploiting the petroleum deposits of Gaspe?

To these questions the following answer was given by Mr. G. K. Sheils, deputy minister:

2. No special geological or geophysical work has been done in the Gaspe peninsula of recent date. The reports on record, which are reasonably complete, and the drilling which was carried on, are not encouraging for large production of oil. It has been deemed advisable to give first attention to other areas in Canada which give better promise.

Following this answer, which was published in the press, I received some letters from oil experts, men well acquainted with the oil possibilities of Gaspe. The following is a letter from Mr. L. J. McKenzie of Gaspe, Quebec, addressed to the editor of the *Herald*. This letter, published in the latter part of January, 1942, is as follows:

To the Editor of the *Herald:*

Sir,—There is much of vital public interest in a recent article in your paper "Minerals to Win the War"—extracts from Mr. Claud M. Johnston's letter.

In the course of his letter Mr. Johnston mentions the lead and zinc possibilities of the Gaspe peninsula, but he appears to have overlooked Gaspe's petroleum possibilities.

In these most critical times when democracy is fighting for her very life and future existence, on oil and for oil, it seems to us that our leaders should be brought to realize more fully the necessity of an unstinted, all-out effort towards the proper drilling and thorough testing of the Gaspe oil-bearing strata.

Canada now imports practically all the petroleum she uses, and here we have a proven oil prospect of 250 square miles, situated at the mouth of the St. Lawrence; 300 miles nearer Europe than any other point in America (Labrador excepted), with petroleum seeping out of the rocks in dozens of places from the very shores of the gulf to thirty miles inland, and not one really serious effort being made towards determining what quantity exists at depth. Opposed interests must not be considered, and, as Mr. Johnston says, "there is a way to find out."

It does not take an over-vivid imagination to picture what petroleum in quantities here at the mouth of the St. Lawrence would mean to our dominion and our allies.

I will not go into details of our reasons for confidence in the prospect more than to say that I have personally seen one well flow thousands of barrels in this region, and I am convinced.

Yes we have iron ore, copper and other base metals for the building of ships and planes and we believe we also have the oil to propel those ships and fly the planes as well.

Following the publication in the press of the answers tabled in the house in February I received the following letter from an oil expert associated with Cecil Carpenter and Company, Limited:

I read with much interest your remarks at Ottawa regarding the last drilling results for oil in Gaspe. . . . My name as identified with the past exploration for oil in Gaspe possibly may not be known to you. I lived in Gaspe for many years operating as general manager of the Petroleum Oil Trust of London, England; subsequently manager for other companies operating there. At the closing of these operations I promoted, organized and built the A.Q. and W. Railway, now the Canadian National, from New Carlisle to Gaspe harbour.

The New Canadian Company Limited held the construction contract for the railway of which I was the managing director. Under these circumstances I have been much interested in the latest exploration to try for oil in quantity.

My oil companies retained excellent oil experts, both Russian and French; likewise the late Mr. Obalski, Quebec government engineer, kept in close touch with developments. It does not appear feasible that oil should be found in 80 per cent of my wells drilled and the stratification refuse to produce more. The consensus of opinion then was that once we could increase the width of porous strata we were on the road to success.

The letter concludes with this paragraph:

I would always be pleased to cooperate with you for the betterment and development of any enterprise in Gaspesia, because I put in so many years there and think the people in that country are the best in Canada.

C. B. K. Carpenter

Then, I received another interesting letter, dated at Hawkesbury, Ontario, March 2, 1942, as follows:

Dear Sir:

According to a press report before me, a report on the production of oil in the Gaspe peninsula has been tabled in the House of Commons.

I wish to say I have been and still am in the position of investigator of fraudulent work carried on to suppress the oils of Canada. I have been so for twenty-one years, not employed by any firm, group or government. I was requested by the British government through their British trade commission to take up the work in 1922, and found it so interesting that after taking five years in geology and field work I continued at my own expense.

There is no reason why one dollar's worth of oil should be brought into Canada, if such fraudulent work were suppressed by the government; and now in our war effort surely something can be done.

An early reply will be appreciated, and I may add that I may this year spend a month in your district if time permits.

This letter is signed by Mr. A. C. McIntosh, Box 145, Hawkesbury.

Yesterday I asked the government if it was the intention to give some thought to the possibilities of oil production in Gaspé, in view of the fact that the oil and fuel problem is becoming so acute. We all know that the shortage of oil and gasoline seriously affect the whole of our population, and bring upon us many difficulties.

May I draw to the attention of the committee a further consequence of gasoline rationing. I have no doubt all hon. members have heard about Gaspésia—its beautiful scenery, its boundless sea, its vast mountains, its wide rivers, and its delicious fish. In past years Gaspé has been known as one of the most beautiful spots in Canada, and its beauties have been a strong inducement to tourists. The tourist traffic in that part of Canada has been a source of revenue from which the whole of the dominion has benefited. Under a system of rationing of gasoline however it will not be possible for the duration of the war to travel extensively through Gaspé.

There is a fine chain of hotels along the coast which provides very good accommodation for tourists. There is no railroad on the north side of the Gaspe peninsula and if we are unable to get gasoline these hotel owners will fail. There is nothing else to support them but the tourist trade. The tourist industry is very important to Canada. This bill is to provide for the defence and welfare of Canada and also for the payment of indemnity to those who suffer war damages. If the government are not willing to ease the gas restrictions for a month or two to permit tourists to come into this country, perhaps they would be willing to pay an indemnity to these hotel owners. I think something should be done, particularly in view of the fact that provision has been made for other classes of industry in Canada in the matter of war damage.

There are great possibilities on the Gaspe coast for assistance to our war effort. I have mentioned the metals that are to be found there. There are three mining companies which own properties on the Gaspe peninsula. Some thirty-five or forty miles from Ste. Anne des Monts the Federal Zinc Mining company have properties from which they extract hundreds of tons of zinc and lead. These metals are lying there because of lack of transportation facilities. We are facing a shortage of metals and I think the government should do something to exploit these mines and permit the movement of these metals. The mountains of the Gaspe peninsula are covered with all types of hardwoods which could be used to build ships. There is a shortage of shipping in Canada and there are a number of fine inlets along the coast where skilled labour is available for the construction of wooden ships from one hundred tons to five hundred tons in size. I think the government should consider this proposition.

Another matter which should be considered in connection with this bill is the lack of transportation facilities to take the fish produced in the Magdalen islands to the West Indies and south American ports. The main production is smoked herring and salt mackerel. These fish are not suitable for home consumption and if they are to be sold it is necessary that they be transported to these foreign ports. The fish exporters in Halifax say that they will not be able to move this fish this fall because of a shortage of vessels. The Minister of Fisheries told me a few days ago that it was quite certain that ships could not be obtained for the transporting of this fish. If these fishermen are unable to sell their product they will have nothing to take them through the winter. This bill provides for the payment of indemnities to those suffering from war damages, and I think the government should take immediate steps to either provide ships or to pay indemnities to these producers.

A word or two as to the defence of Canada. If Canada is threatened, if there is a chance of our being conquered, we should take every possible step to save ourselves from attack. Much has been said about the defence of the Atlantic coast. Halifax is situated close to that entrance formed by Newfoundland on the one side and Cape Breton island on the other. There is no doubt that Halifax is in the attack zone, but the Gaspe coast and the St. Lawrence river provide the real entrance to Canada and they are inside this barrier. Engineers have said that from the defence point of view Gaspe harbour is most important to Canada. There are some defence works there but they are not adequate to protect the Gaspe coast and the St. Lawrence. Hon. members will recall that only a short time ago two ships were sunk in the St. Lawrence. One was sunk

almost 250 miles above Gaspe, which is nearly half way between Gaspe cape and Montreal. The other one was a little further down the river. These torpedoings show the dangers of attack.

At Mont Joli, some ten miles below Rimouski, there is an air training school, but there are almost 250 miles of coast which are absolutely unprotected. The north shore of the St. Lawrence has no defence of any kind; there are no guns and there are no soldiers. Along that route to Quebec, Montreal and the upper lakes there is no defence at all until you get to Quebec. Some of the money provided by this bill could be used to good advantage in providing some defence works down there.

Perhaps if more ships were sunk it would be realized that the facilities of Gaspe should be properly organized. We should be able to take care of these ships that are damaged. There is no dry dock in that part of the country and there are only a few guns and defence works. That is not enough to prevent the Germans from attacking. I take advantage of this opportunity to offer my thanks to the government and congratulate them upon what has been done so far, but it is not sufficient. We want and we need more defence in case of attack. If there is no danger at all of attack, and no danger of losing our country, we do not need any defence; but if there is danger we need the proper defence works, and it is time to provide them.

I would ask the Minister of National Defence or any other of the ministers concerned if they would assure the committee that something will be done to develop the oil resources of Gaspe and to take advantage of our ability to build ships. The material is right there. All it needs is proper organization and communications to develop these resources. We have proven mines there of lead and zinc. What is the government going to do about these things? What is the government going to do about the tourist traffic, which is hampered by gas rationing? What is the government going to do for better defence of the St. Lawrence?

The ACTING CHAIRMAN (Mr. Bradette): I would be the last person to dictate the lines of discussion and how members should speak. I know that some latitude may be allowed on this clause, but the Minister of Labour has two of his officials here with him, and I believe that if hon. members would concentrate on a discussion of labour matters it would meet with the general approval of the committee.

Mr. LECLERC: I wish to say a few words about the wages paid in war industry in the county of Shefford. I am afraid that the war plants in my constituency are paying the smallest wages of any war plants in Canada. I am sure that the wages paid there are much lower than the wages paid, for example, at Valleyfield, Bouchard and Cherrier. It will be remembered that an explosion occurred at one of these war plants in my constituency, resulting in the deaths of six or eight persons.

Some time ago I asked a question in the house as to the scale of wages paid but, as often happens, I received a negative answer. It was to the effect that they were paying the average rate of wages paid in the locality. I maintain that there should be a uniform scale of wages in all war plants, throughout the same province at least. I would not expect the government to pay as high wages in war plants as they are paying in the shipbuilding industry in Vancouver, where the rate I understand is around $1 an hour. But certainly female labour should be remunerated in munitions plants at a higher rate than 25 to 27 cents an hour, and men at a higher rate than 35 cents an hour.

A lot of small munitions plants are to be started in Granby, and I hope that before they get started the government will see that the employees are paid a fair wage. I am asking the government to see that these employees get paid as much as employees of other war plants in the province of Quebec. I am sorry to say that in my own community, the city of Granby, the wages are not as high as they should be. I am told—I do not know whether it is correct or not—that some men who hold high positions in the town of Granby used their influence to prevent a new industry from paying higher wages. I do know that we have some sweat shops where female labour is paid 15 cents an hour, and while this is not perhaps a federal government matter I want to impress upon the government, which has control of munitions plants, the importance of paying a fair and reasonable wage. The Minister of Labour may say: We do not want to interfere with the labour laws of the province. But I can assure him and this government that if you pay labour 10 cents an hour more than the provincial scale of wages there will be no reproaches from anybody.

Mr. MITCHELL: I thank the hon. member for bringing this matter to my attention, and I want to say at once that I agree with him. As no doubt he is aware, we have a minimum wage order for all government work. Order in council P.C. 7679 lays down a minimum

wage of 25 cents an hour for women, and 35 for men exclusive of cost-of-living bonus. I am sure that my hon. friend appreciates the fact that we have no jurisdiction at the moment over the wages paid in the province of Quebec, or in any other province for that matter, in what might be termed private employment or non-war industry, and no doubt some of the employees to whom my hon. friend refers are engaged in non-war industry. I have received complaints, as I am sure the former minister did, that the wage rates that have been established through the federal Department of Labour have to some extent interfered with the wage structure in non-war industry. I might add that conversations are going on between the provinces and the dominion with respect to this whole matter of minimum wages.

Mr. McCANN: What does the minister consider a war industry and what a non-war industry? Is a firm which is carrying on its private industrial operations and at the same time filling war orders as part of its operations classed as a war industry or as a non-war industry? I am afraid that some industrial organizations are taking advantage of the fact that they are carrying on their peace-time operations to designate themselves as a non-war industry even though they are filling war orders.

Mr. MITCHELL: Any war contract let by the dominion government goes to a war industry. With respect to companies doing both war work and non-war work, that is a subject of discussion at the moment between the provinces and the dominion.

Mr. CHURCH: Mr. Chairman, I should like to deal with a matter which has not been taken up yet, but is under this bill, and it is one of the most important matters of all, being related to external affairs. Never since the war started have we had an adequate opportunity to discuss this department or its functions or even Canada's foreign policy—because Canada has never yet had a foreign policy. I should like to say a few words on external affairs in connection with this item on page 2921 of *Hansard* showing a total of $456,000 for external affairs, divided as follows: Administration and passport office, $265,000; representation abroad, $100,000—our representatives in Japan, Holland, Belgium, France and one or two other places have been washed out; consular services, $5,500; evacuation of staff from abroad, $5,000; Canada-United States permanent joint board on defence—very largely board and very little defence—$22,500; Canadian section of joint economic committee, $53,000—a total, Mr. Chairman, under one department of civil estimates of $456,000, and we have no adequate details as to how it is made up or anything about it.

I can tell you this: in time of war these separate Canadian legations and representations abroad have caused Britain's influence to be divided. They are bad enough during peace, let alone in war, and some of them have had a purely mischievous effect so far as defence and foreign affairs are concerned.

Canada has never yet had a foreign policy. No one can tell what it is—it is negative. At the last imperial conference, in 1937, when we knew of the danger to the empire, and Australia specifically pointed out the grave conditions in the Pacific, Canada took the position, "We have no commitments; parliament will decide," and things remained that way until war was declared. We would not even take part in or aid an empire shipbuilding policy at that 1937 conference.

I wish again to raise this matter of an empire war cabinet. It is the most important thing that we can consider at the present time. The coordination of the efforts of the dominions is the most important duty of the hour. The peril is at the gate, and it is possible that three of the dominions, namely Australia, New Zealand, and south Africa, will be invaded. One of the northern islands of Australia has already been invaded, and New Zealand is in grave danger. Both of these fine dominions have had to appeal to the United States. The supremacy of the Pacific has been lost, and Japan is moving around the Pacific like a circus through 15,000 miles of islands, menacing the coasts of Madagascar, the islands of the Indian ocean and the very eastern shores of south Africa, in the Indian ocean, where the prime minister of the union, General Smuts, has appealed for support to the very native races from whom his people took the franchise in 1854.

As I have said, Australia pointed out over a year ago the dangers which threatened her in the far east, and asked the British government to reestablish the empire war cabinet. During the last war this cabinet functioned. It consisted of the prime ministers of the five dominions, New Zealand, Australia, South Africa, Canada and Newfoundland. Our Prime Minister remarked one day recently in this chamber that he could not attend such a conference or support such a war cabinet, and that it was not necessary.

During the last war a war cabinet did wonderful work to win the war. The principle was established that the Prime Minister or his dominion representative could be there. For example, the late General Botha, when

prime minister of South Africa, nominated as his representative Lieutenant-General Smuts, now Field Marshal Smuts, the present premier of the union. The empire war cabinet did a great deal of good, increased dominion aid wonderfully and to its absence must be attributed many of the unhappy conditions which have developed in the far east in the last two years. Right Hon. Robert Menzies, the able statesman who, when prime minister of Australia, addressed this house last fall, and the present prime minister, Mr. Curtin, have referred to the absence of coordination, especially in the domain of joint policy in the far east, and the great need of an empire war cabinet. Recently they have complained that decisions have been made adverse to their interests without consultation with the Australasian or other dominions. Unless there is a war cabinet—which Canada, for some reason has opposed—there can be no joint consultation or cooperation or united action by the dominions in the present war. It is too bad that Canada has taken this stand, because our country is dependent on the mother country in this war as she was in the last for all our protection from invasion. It is a grave responsibility to refuse a war cabinet.

In view of the loss of the command of the sea in the Pacific, the disaster at Pearl Harbour, and the fall of Singapore, Hong Kong, Malaya and Burma and other strongholds, the need of an imperial war cabinet was never more apparent than now. It is a tragedy which will soon be costly to Canada. Since the Victorian era the imperial conference system has been a useful method of communication and consultation between the dominions and the mother country. The first colonial conference took place in 1887 and was continued every five years. Conferences have been held periodically, as in 1907, 1917, 1937 and other times. There were memorable meetings—at the time of the diamond jubilee of Queen Victoria, in 1897, following the accession of King Edward VII, in the closing years of the war, and at the time of the coronation of our present king in 1937. Although these assemblies have no legislative powers, they are valuable in peace time as a means of expression of the views of the dominions concerning imperial policies. They are even more necessary in time of war, because of the vastness of our empire and its manifold relations with foreign states. I have urged this matter repeatedly upon the government since the war started. It is discouraging to see this separatist stand taken and the plea of Australia ignored and our sister dominions, Australia and New Zealand have been, as a result, compelled to appeal for help to the United States. The help which our United States friends have given has been magnificent. True it is that the United States has been able as yet to provide only about 50 per cent of her expected allotment for 1942 to Russia and Great Britain or to Australia, but the will is there, and before six months is over this provision will have been greatly increased.

I raised this subject of the relationship of the dominions to Great Britain in connection with empire day, on the 22nd of last month. It was surprising to me that on a day like that, remembering all that we owe to the mother country in this war because she bore the whole brunt of it for two years alone, that this parliament did not see fit to say anything about it as I suggested on empire day or Victoria day, and to pay her tribute and thanks. Hon. Walter Nash, the very able minister of New Zealand, who addressed us recently, paid a great tribute to the old country. He said:

> That little spot called Britain, when we understand what she has done, though some of what she has done have been mistakes, we must see that she has on the credit side an amazing balance. We are out to help her win because we want her to win. Unless the old country wins all that we cherish will disappear.

The non-cooperative attitude of Canada has been criticized elsewhere than in this country. That well known publisher and empire builder, the very able Sir Keith Murdoch, who owns a number of newspapers in Australia, including the Melbourne *Herald*, referring to the situation in the far east, remarked that not only our difficulties there and the trouble in the far east but also the fact that we have a war at all, must be largely attributed to the fact that the empire not only threw away her defences on land, sea and in the air, but threw away her friends as well. In a letter, urging a war cabinet, to the London *Times* after the disaster at Pearl Harbour, he stated:

> . . . The entry of stout dominion minds into the war council, and of oversea service men and business men into the army, navy, air and supply councils has become of great importance for the two reasons that the dominions will not stand grave decisions going against them unless they are in those decisions, and that something must be done to improve the war management. . . .

He went on to criticize the weaknesses of our fighting services and emphasized lack of coordination as largely responsible for the disasters which have befallen us in the far east.

Mr. Menzies, the former prime minister of Australia who addressed this house, Mr. Chairman, from where you are sitting, stated that

he had known for a long time of the inadequacy of the empire's defences in the Pacific, and that they revealed a very dangerous condition of weakness. These views are practically identical with those expressed by Prime Minister Fraser of New Zealand and by Mr. Curtin, successor to Mr. Menzies as Prime Minister of Australia, and it is charged in England and Australia that Canada knew all about it also and did nothing about it, and in none of these dominions were the people aware of the danger, or the facts disclosed.

The empire is worth fighting for in this emergency, because if it passes, freedom and liberty and civilization and religion will vanish from the earth. But for the glorious stand of the mother country after Dunkirk we on this continent, including the United States, would long ago have had to seek peace with the axis powers. It was a very grave mistake for our country, when asked by Mr. Churchill what our views were, to give the refusal we did. The two decades between 1918 and 1939 were the most disastrous years in the whole history of the world. Canada did not show up any too well in the discussion at the imperial conference in 1937 although Canada was one of the world's chief traders. We had no foreign policy; this external affairs vote showed that. The two decades I named above were full of mistakes and errors since the last war, and now this war threatens the freedom and liberty and religion of the world, and if we do not bestir ourselves it means the end also of civilization. It is too bad that we keep up in the clouds, dreaming yet about isolation and status. The upheaval brought about by this war was not occasioned by anything that happened before 1918. It arose out of what happened since, largely out of the desire for greater prosperity, and reliance on peace pacts and agreements, Kellogg pacts, Locarno, the status quo, the Monroe doctrine, and collective security—which is only security when we have an armed Britain. That is one of the reasons for this disastrous condition. We have forgotten to listen to the lessons of experience and history, namely, in peace to prepare for what may come after. Without a war cabinet we see the result in Hong Kong and Singapore. Most important matters have been settled and given against us, and we have not been consulted or had a word to say about it.

To-day is the eighty-second day of this session, and we have not had one word since we started on estimates on foreign affairs outside of the Prime Minister's statement last year about two or three new embassies. This country was the chief drifter from the British empire before the war started. It is bad enough in peace time to have this drifting, but in war time it is fatal. Three of the dominions are on the border of disaster. If we lose, they may not belong to the empire much longer; they have had to appeal to the United States for help. While our neighbours to the south are a great people, they were not a military power at the start, and for a couple of years they cannot do a great deal to help in the present struggle because it will take two years to be fully armed. With the enemy at the front door and the back door and the side door and every other door, we have to get on with the total war for which the people voted on April 27.

Mr. SLAGHT: Before this important bill passes I desire to refer to a matter which I regard as of supreme importance. I have not in the last six weeks troubled the house by occupying any time in the discussion of this measure, and I make no apology for bringing to the attention of the committee and the government the matter with which I shall now deal very briefly.

I quote from section 2 of the bill, paragraphs (a) and (d):

> (a) the security, defence, peace, order and welfare of Canada;
>
> (d) The carying out of any measure deemed necessary or advisable by the governor in council in consequence of the existence of a state of war.

In this connection I suggest to the government that it is of immediate and major importance that at least three strategic points in Canada should be protected with barrage balloons. I am not making this appeal without having submitted my views to the authorities, who I thought should first have them brought to their attention; and among those authorities is our division of the joint defence board. I found on their part no sympathy concerning the matters that I brought forward. Notwithstanding that, and notwithstanding the lapse of some time, I wish it to be understood that I make these suggestions in an absolutely constructive and friendly spirit and not as a critic.

I had the privilege, with five associates in this house, of visiting the mother country a few short months ago. Portsmouth, Liverpool, Glasgow, Hull, Newcastle—every important port in the British empire was provided with thorough and efficient barrage balloon protection. Men in the air force over there told me that they feared nothing so much in an attack upon enemy objectives across the channel as to be obliged to attempt to dive-bomb any objective which was protected by barrage balloons. They extend to between

3,000 and 4,000 feet in height, entirely surrounding a port or city or war plant, and any enemy dive-bomber seeking to come within that area and get within 4,000 feet of his objective might just as well sign on with the suicide squad before attempting it. They are the greatest means of protection to-day.

Halifax has no barrage balloon protection. Esquimalt, the only dry dock under the control of the British empire on the Pacific ocean, has no barrage balloon protection. Patricia Bay, the great airport on the Pacific coast, has no barrage balloon protection. Halifax is a tinder town in this respect; it has a great many inflammable wooden buildings, which are so susceptible to incendiary bombs that the very thought of it almost makes one shudder. Ammunition dumps are located there, as well as docks for the repair of vessels. We all know it is the centre for the convoys which are made up to go to the motherland. The destruction of Liverpool to-morrow morning would not be as great a blow at the British empire, to say nothing of Canada, as any enemy action would be which would make a rubble heap of Halifax. There is no port, no strategic war industry on the whole north American continent the destruction of which would mean such a terrific loss to the British empire and the united nations as the destruction of Halifax overnight would mean to our war effort.

Some one may say: "Don't be an alarmist; it can't happen here." That phrase is long outmoded. If an enemy aeroplane carrier crept up under favourable weather conditions, fog and so forth, within 100 miles of Halifax, and released thirty or forty bombers which could drop incendiary and explosive bombs on Halifax, I hate to think what the result might be.

Now that we are appropriating $2,000,000,000 for national defence and security I make this suggestion in all seriousness to the government, to the authorities, to the joint defence board for north America. I feel sure that the United States members of that board, if asked what one spot in north America we could least spare, would be bound to say without a dissenting voice, the city of Halifax. I am making no appeal for the protection of the residents of that city. They are a game people. They are willing to take all the chances that war imposes upon them. But even leaving that aside, from the empire standpoint; from the standpoint of the war effort; from every standpoint from which a reasonable man who will examine the subject as I have examined it can reach a conclusion, I do suggest that we must at once provide barrage balloon protection for Halifax, Esquimalt and Patricia Bay.

Mr. HANSON (York-Sunbury): I am interested in the subject matter brought up by the hon. member for Parry Sound (Mr. Slaght), and I have wondered why the suggestion was not made before. One reason why I have not made it previously was this. I too had the honour of visiting Britain last year, when I had a long discussion with the commander of the Dover area, as well as with officers at Portsmouth, with respect to this subject of barrage balloons. During the course of a tour down the Thames, covering a good many miles, we saw a long line of barrage balloons protecting that area. I questioned the officers with respect to both the expediency and the desirability of having this system of barrage balloons over strategic points. On balance they advocated their retention, but I was told some very curious stories. One officer told me that when the balloons were first installed over Dover the Germans were greatly intrigued. They would come over each morning and shoot down the balloons just about as soon as they were raised; when they were raised again they would come back and shoot them down again, and this happened on a number of occasions. Of course the balloons are very vulnerable and can be punctured by a bullet. After that the Germans left them alone, but the British are still of the opinion that these balloons form a valuable auxiliary to the defence of a given position. That is so for the very reason that has been explained to this committee by the hon. member for Parry Sound, namely, that they are a deterrent to dive bombing, and prevent those operating by air against a given point from coming too close. That is why they are being retained. I assume that our general staff, our defence officials, studied this position long ago, and it does seem to me they might state their opinion with respect to a port like Halifax, which I suppose is the most vulnerable of all.

Just in passing, I have often wondered why there should be so much concentration at Halifax. There are a great many important works for which there is not very much defence. I do not think the hon. member need apologize or give any excuse for raising this question. It is a matter of importance in the defence of some of the vulnerable places in Canada, and I commend his remarks to the Minister of National Defence.

Mr. BLACKMORE: Much as I should like to see the discussion of labour problems proceed, and much as I am interested in the question raised by the hon. member for Parry Sound, yet I do think that before our discussion goes too far afield, following the discussion we had on the night of June 5, I

should direct the attention of the committee once more to the all-important question of inflation, and how inflation might reasonably be met and guarded against. There is no more important question facing the peoples of the British empire and the United States to-day than the question of inflation, and I venture to say there is no question which is less understood. In my brief and limited experience there is no question less understood than the all-important question of money, yet there is nothing which has come closer to causing war, both international and civil, than that question. So if hon. members of the committee will bear with me, I will revert to the matter we were discussing on Friday afternoon.

The Minister of Finance was kind enough to make some remarks which I thought indicated a great deal of progressiveness on his part. I should like to read to the committee several of his statements, and I should like the minister to elaborate on those statements a little more fully so that I may see just how nearly I can come to agreeing with him. I turn first to page 3110 of *Hansard,* where I find this statement:

> Mr. Ilsley: If the Social Credit party is not against borrowing and is not against taxing and is not against private ownership, then the difference between the Social Credit party and the government comes down to this, just a difference in judgment as to how much money should be issued from time to time.

I was startled when the minister made that remark, because I had been led to suspect that he was much further removed from us than his words indicated. Now, before beginning to develop my subject, may I just comment briefly on that passage. We were discussing the question of war financing; and let me repeat that social credit does believe that it is necessary to tax during war. Ordinarily the attitude of social credit toward taxation is this, that for the major portion of the population it is not good to tax. Generally there is a shortage of purchasing power which renders the people unable to buy the goods which industry is able to produce. Consequently any measure which will decrease that purchasing power tends to aggravate the evil from which the community in modern times suffers, namely inadequate buying power. In time of war, however, we realize that in order to withdraw some of the surplus purchasing power which might embarrass the government by causing too great a buying pressure, it is necessary to use taxation discreetly.

With respect to borrowing, our general attitude is this, that it is inadvisable for a government to borrow. We believe that the bane of existence of the modern state is debt. We believe that debt should be guarded against

by every means at the disposal of an administration. Yet again we grant that in time of war a measure of borrowing is necessary.

Now with respect to the private ownership of industry, it is an essential characteristic of the social credit concept, as opposed to the socialistic concept, that industry will be much better taken care of, it will be much more efficient, the people engaged in industry will be much happier, and the state will be much more democratic if individuals own the industries. We therefore favour, to the fullest possible extent, individual ownership. So that thus far the minister's statement stands just as he made it, and it meets with my approval.

I should like some clarification of the minister's stand with respect to state-created money, and its use. The social credit stand, as I said on that earlier occasion, is that money which it is possible for the state to have created within it, ought to belong to the people of the state, and should be issued by the government as a clear asset to the government, free of debt. It should be administered by the government in the interests of all the people of the state. The other night the minister entirely agreed with that proposition. He and I may not agree as to just what the best disposition of the money would be, but it is good to know that our hearts are in the same place so far as the desire to use money for the welfare of the people is concerned.

The matter of state-created money is of great importance. One must consider how much can be used, and whether the state issue of money will cause inflation. The observations last night of the Minister of Labour (Mr. Mitchell), addressed to hon. members of the Cooperative Commonwealth Federation, in which he referred to Germany, brought to my attention more vividly the importance of discussing this whole question of inflation. There exists in the world some of the most grotesque distortions imaginable with respect to the whole German story. Men hold opinions so far from the truth as completely to astonish anyone who knows the story of the German inflation in detail. There are similar distortions respecting the assignats of France. The result is that most people are terrified at the mere mention of Germany or of assignats. As a matter of fact there is much for our generation to learn from both those experiments, and what is to be learned from them is entirely in favour of and not against the social credit proposals, strange as that may seem.

Mr. MITCHELL: The Germans got Hitler out of their experiment.

Mr. BLACKMORE: As I have said, I should be pleased to take on the Minister of Labour, when he is ready, in a discussion respecting Germany. However it would be better to discuss Germany alone, and not mix it up with this matter, if the minister does not mind.

May I read one more quotation from the same page? The Minister of Finance said:

> The reason why the hon. gentleman takes that $26,000,000 is that at that time there was a gold standard, which was departed from to the extent that that $26,000,000 was created. To-day there is no gold standard, and to the extent that we b rrow from the Bank of Canada, as we do to a limited extent, are we not doing exactly what that government did when it issued the $26,000,000?

May I congratulate the minister, after thinking it over, on that statement. It was a brave and progressive thing to say. It acknowledged the truth—truth upon which we can build a good deal of constructive thought.

In the light of that remark I wish to read from *Hansard* of March 20, 1941, page 1724 the answer given by the minister to a question asked by the hon. member for Acadia. I should like the minister to clarify the situation, bearing in mind what is contained in the following question and answer:

> Mr. Quelch: Up to the present time the government have not used the Bank of Canada for the purpose of obtaining money to meet current expenditures, apart from refunding and the purchase of gold? That is really what I wish to know.
>
> Mr. Ilsley: No.

Mr. ILSLEY: That was last year some time?

Mr. BLACKMORE: Yes. Has the minister now departed from the policy which he indicated he had followed up to that time? That is, has he issued from the Bank of Canada money to be used for purposes other than the purchase of gold or the refunding of debt? In other words has money actually been issued from the Bank of Canada and used for the defraying of government expenses, as were the $26,000,000 to which we have referred? Would the minister care to tell us that?

Mr. ILSLEY: I shall have to look into that. It is difficult to answer a question in this fashion. The hon. member goes away and digs out some answers I made a year ago. Then he comes back and asks if there has been any change in that time. I suggest that he make his speech. I may make an answer which he will produce the next day if I am not careful.

Mr. BLACKMORE: I realize a question like that is a difficult one for the minister to deal with, because of the tremendous complexity and immensity of the work he has in his mind. But we are vitally concerned as to whether or not the government does issue money from the Bank of Canada and does use that money for ordinary governmental purposes. For example, would the minister consider it sound to issue money from the Bank of Canada to the extent of, say $100,000,000, to buy gold from the refineries, so that the money so issued would go out directly into circulation in Canada? It is obvious that a distinct difference in policy would be involved. In one case the money never leaves the Bank of Canada; it is merely transferred from one drawer or one room to another. In the other case the money would go right out into circulation, as did the $26,000,000 at the time of the last war. That would establish an entirely different policy. I am not going to ask the minister to make a statement on it now, because he will need to look into the matter. But in order that there may be the similarity between the social credit concept and the government concept which the minister's words and my words would tend to indicate, it is necessary that the government be ready to issue money from the Bank of Canada, and buy gold right out in the country, wherever it can be obtained, direct from the mine. There would follow this conclusion, that if the government could issue notes of the Bank of Canada and buy gold in Canada from the refineries, it ought to be equally sound for the government to issue such money and buy wheat. The only difference would be that the gold, in one case, could be put into the vaults of the government or of the bank, and held as a sort of guarantee for the money issued. In the other case there would be wheat in possession of the government.

As the minister recognizes, this is a most important matter, because if the Bank of Canada could issue money to buy wheat, and the government could obtain that money without debt and without taxing the people, then there would be a way open for a possible solution of many problems troubling us to-day. I have raised this question so that everyone may see the difference between the concept of the social crediters, if there is a difference, and the concept of the government.

Another passage from the minister's remarks, to be found on page 3111 of *Hansard,* is as follows:

> We are not going into debt when we borrow from the Bank of Canada because we are the Bank of Canada.

With that I entirely agree.

Therefore, the difference between the hon. gentleman and myself comes down to this, does it not, merely a matter of judgment as to how far we should go in borrowing from the Bank of Canada?

Mr. Blackmore: I think so.

I had to be careful about what words I used, because I lacked the knowledge which the minister could give me as a result of the questions I have asked to-day. The question as to how far we should go being merely a matter of judgment is a sound question; I should like to comment briefly on it before going on to other aspects of the whole question.

As I said the other day, the idea has got abroad—by the way, I have a statement from a bank manager contained in a bank letter this year which conveys the idea that if the government were to create a dollar bill, that dollar bill would be inflation. That is an utter fallacy; it is one of the most dangerous concepts that could be foisted upon mankind at the present stage of our affairs. The issue of new money would not be inflation. Inflation is the rise of prices only. Until the new money, even if it were hundreds of millions, began to cause a rise in prices, it would not be inflation. If the members of this house could agree to that truth, a great amount of the anxiety which now prevails in this country from shore to shore, and a great many of the anxieties of the government, would be allayed. I laid down this principle the other day and I wish to lay it down to-day: The amount of money which can be issued by the government and used depends upon the goods-and-services-producing-and-consuming-power of the country.

May I revert briefly to the German situation. The reason why Germany came into financial disaster was largely this: that Germany as a country was relatively poor and small, while her population was relatively large. The goods-and-services-producing-and-consuming-power of Germany did not justify the creation of as much money as was created in Germany. I shall discuss this at greater length when the Minister of Labour and I have our little friendly discussion.

It is not entirely a matter of judgment; at least in forming judgment one is not entirely without realities to go by. One knows that the amount of money which could be issued in Canada depends, for example, on the amount of milk that Canada can produce and consume, on the amount of butter, the amount of lumber, the amount of sugar, the amount of honey, the amount of vegetables and fruit, the amount of coal and gasoline and all other things which Canada can produce and consume. Production and consumption are vitally bound up in the whole question of inflation. The minister indicated that he understood this in a speech which he made—a fine speech, upon which I would commend him—on March 17, 1942, to the Ontario federation of agriculture. He indicated quite clearly in that speech that he understood that agriculture and the productive power of agriculture were vital to the monetary situation in Canada; that is, that agriculture had much to do with whether or not Canada was in danger of inflation. That is what I gathered from the minister's speech. May I quote again from page 3112 of *Hansard:*

Mr. Ilsley: We believe it would be quite unsafe to go any further than we have gone, in view of the danger of inflation. We do not believe we could control inflation by our price ceiling policy if we went much further in the issue of money, because it would burst the price ceiling. If the price ceiling, by some miracle, should hold, then it would mean the indefinite continuance of the price ceiling after the war, because there would be such a volume of bank credit or currency or both that the removal of the price ceiling would be impossible because prices would soar so desperately.

Mr. Hanson (York-Sunbury): The whole theory means inflation; it cannot mean anything else.

By which remark the leader of the opposition indicated that he has a lot more to learn about money. The minister's remarks were quite sound. I should like to draw something to the minister's attention and to the attention of those who are worrying about this problem. After the war there will be a tremendous amount of productive capacity available, productive capacity which is now devoted to the fabrication of war goods. This capacity will be without further employment and will of necessity be diverted immediately or as soon as possible to the production of goods for consumption within the country. If the minister does not have at that time a substantial accumulation of purchasing power in the hands of the people throughout Canada, there will be a serious deficiency of buying power. The result will be that the new production which would be the result of the transfer of the war producing machinery to the production of peace-time goods will not be disposed of and there will be precipitated a most appalling condition of unemployment.

Such a condition would be deflation. I know the minister realizes that there are two serious problems facing any government. The one is to prevent inflation, and the other, equally important, is to prevent deflation. The government must guard against both, and also be prepared to take such measures as are neces-

sary to ensure the stability of the employment situation after the war. This question is troubling the rank and file of Canadians far more than the danger of inflation. While I recognize that there is a danger of inflation, I believe it could be controlled to a greater extent than it is at the present time, although the government and the minister are doing a commendable work in their efforts to control it.

I wish the leader of the opposition were in the chamber, because I should like to ask him right to his face what he thinks he would do with all the tremendous amount of post-war production if he had an impoverished population. For example, I should like to ask him how he imagines the Canadian people would be able to consume the butter and cheese, particularly the cheese which we are now manufacturing and shipping to Great Britain, and the beef and the pork, unless they had savings. What will happen to the men who are engaged in the production of pork—just as a concrete everyday illustration—if the British market is in some measure closed to us or if we no longer have the tremendous number of sinkings on the seas? What would happen to the men whose money is now or will be invested in pork production? All these are matters of vital concern to the Canadian people, but they are matters which the leader of the opposition has evidently been too busy to consider.

I wish to read one more statement made by the minister. He said, at page 3112 of *Hansard:*

> The hon. gentleman denies that his policy means inflation.

I certainly do; for I say that the social credit proposals are the only means by which inflation can be fully controlled. He goes on:

> We argue and believe that it does, if it goes much beyond what we are doing anyway, or probably if it goes at all beyond what we are doing anyway. That is what we believe. We get the best advice we can; we exercise the best judgment we can, and our judgment tells us that we want to withdraw purchasing power from the consumers of this country. We want desperately to do that, because of the terrific upward pressure on the price level if we do not.

I believe I have been quite fair to the minister. I have tried to select statements he made to show his point of view so that there can be no misunderstanding. I sympathize with the minister in this statement of his. I urge upon the minister that the social credit proposals could be of great assistance to him, as I propose to demonstrate in the course of my remarks.

The first all-important question is, what is inflation? May I give a definition which I believe is absolutely sound? Inflation is a rise in price which results from having more money in circulation that there are goods in the market to buy with the money; putting it in another way one might say that inflation is a rise of price resulting from a scarcity of goods. In other words, the stress should be placed not only upon money but upon goods. I made the remark to the Minister of Labour last night that the difficulty that Germany faced was that she lacked goods, and the more you examine the story of Germany the more you will realize that that is true. It was fundamentally the shortage of goods in Germany that caused her inflation. We cannot bear in upon our minds too emphatically this fact, that inflation can be controlled by having more goods, more production. That was the great thought which the minister gave in his speech of March 17 to which I have referred.

As an illustration of how state money or any kind of money can be used to prevent inflation, to prevent a rise in price, to increase production, may I elaborate on what the minister is already doing? He is subsidizing prices. Some members of the opposition have been inclined to criticize the minister for spending the amount of money he is spending in subsidizing prices. But in this the minister is wholly sound. He can spend many times the amount of money he is spending on subsidizing and still be doing a work of very great value for the people of Canada. He does not need to be afraid of subsidies, or afraid of his critics; when he said the other day that he would fight an election on that issue he was certainly taking very sound ground. It is possible to spend a large amount of money in a way which according to orthodox principles would seem unsound and yet obtain a result which is of such tremendous value to the state as a whole that the money must appear very well spent.

To illustrate; Great Britain in 1941, I found when I was overseas and talking to a prominent member of the British house, spent 100 million pounds in keeping down the cost of goods to the people. Great Britain in that same year spent 30 million pounds, I was told, in subsidizing the prices of the primary producers. As an illustration, I gathered this from an article I was reading not long ago. The British government are paying the egg producer 75 cents a dozen for eggs and then selling those eggs to the consumer for 50 cents a dozen, which means that on every dozen of eggs the British government is paying out 25 cents; and still that is good business, and for two reasons. In the first place it is a stimulation of the production of a vital necessity, and in the next place it is

making it possible for the consumer to buy without causing inflation. Some people would say that that kind of procedure, paying 75 cents a dozen for eggs and then selling them for 50 cents, is bound to lead to inflation. Not at all; for on the consumer market, where you judge the impact of inflation, prices have been brought down. If the government had not given 75 cents a dozen for eggs, egg production would have greatly fallen off, and prices would have risen to perhaps $1 a dozen. That would mean inflation.

Mr. GILLIS: Why not call it profiteering? That is what it is.

Mr. BLACKMORE: It is not profiteering at all. I think I shall have to stop for just a minute to deal with the hon. member's question. In western Canada to-day the farmers are paying for the 147 things they buy 152 per cent of what they were paying for those same articles in 1914. Now if their costs increase by 52·2 per cent, how in the world can they continue to produce if their prices are not increased? And yet the price of their commodity on the market is lower to-day than it was in 1914. How are you going to bridge that gap? When you get down to reasoning it out, you will be so close to the social credit concept of adjusting the price to the consumer and subsidizing the price to the producer that you will not be able to tell the difference.

Mr. GILLIS: And the taxpayer would have to pay for it.

Mr. BLACKMORE: The taxpayer would not be paying for it if the money were being created. That is the important principle of state-created money, that prices can be adjusted without taxation or borrowing.

An hon. MEMBER: I cannot understand that.

Mr. BLACKMORE: There will be those who cannot understand it, but it can be understood. It is the truth and it is understood by the best thinkers to-day all over the world.

Mr. TUSTIN: How would you produce state money?

Mr. BLACKMORE: As I said the other night, you created it during the last war, when the government printed $26,000,000 of new money. They just printed it; they could have created it as credit. The principle in both cases is sound. The printing of that $26,000,000 certainly did not cause inflation. If there was an inflationary tendency it would have been overcome by the application of a price ceiling such as the minister has applied.

[Mr. Blackmore.]

Mr. TUSTIN: Yes, but $26,000,000, comparatively speaking, would not be anything at all.

Mr. BLACKMORE: The principle is established. I was asked where the money would come from, and I have said where it would come from.

Mr. MacNICOL: That is a pretty easy way to get it, is it not?

Mr. BLACKMORE: It is just like anything else; you have to know how and to what extent to do it, and exercise the power with wisdom.

Mr. GRAYDON: Who knows?

Mr. BLACKMORE: That must be discovered. It depends on the goods-and-services-producing-and-consuming-power of the country. Obviously, if Canada were a desert you could not have any money without having inflation. And the more completely Canada becomes removed from a desert condition the more money she can have. That is obvious.

I wish to go on and finish what I have to say, and after that I shall be delighted to answer questions. I am pleased with the interruption. I have been through these questions a good many times.

Mr. MacNICOL: But we never know any more.

Mr. BLACKMORE: I have known students in classes to go through the subject a dozen times, and yet not know the grammar or the advanced algebra; but there was nothing wrong with the grammar or the advanced algebra.

Mr. GRAYDON: Perhaps, with the teacher.

Mr. BLACKMORE: Or with the teacher either. I have illustrated the need for subsidies and discounts. I just want to point out to the committee something which is contained in the May 20 issue of the Searle index, to show the conditions now existing in western Canada. I quote:

> The present price of wheat is now 43 per cent below the 1913-14 parity price and when the new 90 cent price is established for this new crop it will be 31 per cent below parity. The price of hogs is now 14 per cent below parity and steers 10 per cent below the 1913-14 parity, with lambs 7 per cent above the 1913-14 parity. But the average hourly rates of wages received by industrial labour working at munitions and other war industries is 44 per cent above the 1913-14 parity.

I submit, Mr. Chairman, that in that little statement is pictured a set of economic conditions which is threatening and which will ruin this country unless measures are

adopted to offset it. It challenges every thoughtful man in this country. It is a situation which must be overcome. I turn now to the back page of the same document and read what is stated regarding prices:

The Searle Index of the cost of things farmers buy (147 items) now stands at 152·4 (1913-14 equals 100).

Mr. ILSLEY: Are those consumer goods?

Mr. BLACKMORE: Yes, they are mainly consumer goods. But they include such capital goods as, we will say, certain kinds of machines. There is a long list of them which I can give the minister. There are such things as post hole diggers, mittens, and other articles farmers buy for use in their ordinary work.

Mr. ILSLEY: How does the cost of production compare?

Mr. BLACKMORE: Obviously every increase in the cost of articles used by a farmer, is going to increase the cost of producing, let us say, milk.

Mr. ILSLEY: What about his tractors?

Mr. BLACKMORE: They all add to his cost of production.

Mr. ILSLEY: And what about the cost of a bushel of wheat?

Mr. BLACKMORE: The costs of producing wheat have all gone up.

Mr. ILSLEY: Is the hon. gentleman sure of that?

Mr. BLACKMORE: I am sure of it. I can produce a number of figures; in fact the Searle figures are in point. I believe there are hon. members here—the hon. member for Souris and the hon. member for Moose Jaw—who could give them right off. All these costs have gone up astoundingly.

The ACTING CHAIRMAN (Mr. Bradette): The hon. member has spoken for forty minutes.

Mr. MacNICOL: It does not sound over five.

Mr. ROSS (Souris): Dealing with the argument as it affects agriculture, and seeing that we have with us the Minister of Labour, I might point out that the other evening I tried to get some information from the Minister of Agriculture, which the Minister of Labour may be able to supply. I believe it is generally realized that prices of agricultural products have been frozen at a very unfair level and have caused us certain difficulties, especially in the harvest months. These difficulties will be multiplied this fall, and harvest is less than two months away. There are men travelling through the country to-day who do not care to work and who are not much interested in the war effort; they ask rates of pay for harvest work which create great difficulties to the farmers. I believe the man who assists in the harvest field or elsewhere on the farm is entitled to fair remuneration, but I should like to know from the Minister of Labour, under whose jurisdiction this matter comes, whether in his opinion some equitable basis of pay could be worked out and set in operation before harvest time which will be fair both to the farmer and to the labourer.

Mr. MITCHELL: I believe my hon. friend knows, perhaps better than I do, that no attempt has ever been made in this country to regulate harvest wages.

Mr. ROSS (Souris): No attempt was ever made before to set price ceilings for produce such as have now been put into effect.

Mr. MITCHELL: Just a minute; listen to me. I should be very glad if my hon. friend could make any suggestions along this line. If he can, he is just the man I am looking for, and he can rest assured that my office is open to him every day in the week, twenty-four hours a day.

Mr. NOSEWORTHY: I think first of all I should congratulate the Minister of Finance on the success with which he has imbibed the social credit philosophy. We here are beginning to wonder whether the government will be moving over to this side or whether the social credit section of the house will be moving across to the government benches.

There are two or three questions I wanted to bring before the minister in connection with this bill. When it was under discussion before I raised a question with regard to the closing down of the Canadian Associated Aircraft plant. At that time 40 per cent of the employees had already been discharged, and the remainder had received notice that they would be discharged in two weeks' time. The Minister of Munitions and Supply said at that time that these men would be absorbed by the adjoining plant, the National Steel Car company. Word has come that National Steel Car management, in correspondence with the management of Canadian Associated Aircraft, indicates that there is no place whatever in their plant for the personnel of Canadian Associated Aircraft. Can the Minister of Labour tell us whether any provision is made under which these

aircraft workers, some of them partly and some of them expertly trained, can procure other employment within a few days' time when that plant closes down? I understand that National Steel Car is only in the stage of tuning up for the new bomber which it will produce later.

Mr. MITCHELL: My department is already in touch with the situation, and if the men have the skill that my hon. friend says they have, I do not think there should be any great difficulty in their being placed through the employment service.

Mr. NOSEWORTHY: The second question I wished to raise is this. I have received representations from a number of de Havilland workers who were discharged the latter part of last week. As the minister probably knows, in each case the discharged workers were trade unionists, all taking a prominent part in organizing their trade union in that plant in competition with the company union that the company was fostering. Is there nothing the minister or his department can do to facilitate cooperation between trade union organizations and management within these plants? I have noticed again and again in the plants of which I have some knowledge that just as soon as a group of trade unionists begin to organize a union in a plant, the management immediately sets to work organizing a company union to offset the influence of the trade union, with the result that there is conflict between the employers and employees and production is interrupted. Are there no steps the government can take to prevent that conflict, which arises in nearly every industrial plant in this country? It seems to me it is a matter in respect to which something could be done.

We have heard a great deal of the importance and necessity of oil; and I am sorry the Minister of Munitions and Supply is not here. I believe the government have announced during this session that they are not interested in financing the production of oil in any field—I think that is their policy—but they are willing to promote the production of oil in any field in any way short of actual financing of it. If I am wrong in that I should like to be corrected. I have figures showing that the oil production in the Turner Valley field last year was almost 10,000,000 barrels. Forty-one new wells were brought into production. Of that number twenty-five were private or independent wells financed by the sale of royalties. I am informed that 40 per cent of the present production in that field is produced by these independently financed wells. The sixteen new wells brought into production by the oil companies which control large areas there are all, I am told, offsetting wells brought into production only to prevent the independent companies from drawing the oil from their properties. They all adjoin wells which had already been brought into production by independent companies.

It seems to me that the government should facilitate in every possible way the development of oil wells. I am told that there are only two methods by which the opening of these wells can be financed: one by the sale of royalties to the public, and the other by the big oil companies. Apparently at the present time it is not the policy of the big oil companies to bring their wells into production. My information is—and again if the minister has more recent or more accurate information we should have it—that the big oil companies have more than a hundred proven wells in that valley that are capped at the present time and not producing, and that they are producing only where it is necessary to offset some well brought into production by the independent producers.

It has been called to my attention that the salesmen interested in the financing of these independent wells, twenty-five of which were brought into production last year, are prevented from carrying on further work by reason of the fact that the oil controller allows them only an A category gasoline ration. I have a report here of the negotiations carried on with the oil controller, showing that he changed his mind at least a half a dozen times on this subject. At first he granted these salesmen a higher category; then the books were called in, or some of them, and some were left with category A, others with category E, and final decision was reached that no one interested in the sale of oil royalities should have anything more than A category. In view of the fact that by that means twenty-five wells were brought into production in 1941 it seems reasonable that the government should encourage further opening of wells by that means.

Another matter that I should like to call to the minister's attention is a suggestion concerning our rubber supply, particularly salvage rubber. A number of dealers interested in preserving our rubber supply have made to me the following representations, which I pass on to the proper authorities.

My attention has been called to the fact that there are thousands of tons of salvage rubber at the present time left exposed to sun and weather. No attempt has been made by the government to see that these thousands of tons are protected in any way from the elements. There is no regulation under which

the usable part of that salvage rubber, consisting of tires many of which can be vulcanized and used, is separated from the scrap. My information is that at present large quantities of tires which could be vulcanized and used again are in the junk piles and no effort is being made to separate them. So far as I can discover, there is nothing in the regulations to prevent second-hand dealers from hoarding all the second-hand tires they can acquire. It is true the government has a record of these, but I am informed that there are second-hand rubber dealers who are hoarding large quantities of this material. On the same subject of leaving tires exposed, if you look at the second-hand car lots of this country you will find thousands of tons of tires exposed to the weather, deteriorating, on cars which, in view of the gasoline situation, probably will not be used for years. I seriously believe that if rubber is so scarce, some steps should be taken to save these thousands of tires from deterioration.

Mr. MITCHELL: I think the first question asked by the hon. member was with regard to discrimination at the de Havilland plant at Montreal, was it not?

Mr. NOSEWORTHY: No; at Toronto.

Mr. MITCHELL: Very well. I do not know whether my hon. friend is aware of the fact, but order in council P.C. 4020 gives the Minister of Labour power to send in a commissioner and to act upon the recommendations of that commissioner, and the action of the minister is final and binding on both parties. I would say to my hon. friend that almost from day to day we hear of cases of alleged discrimination on both sides. At the moment we have five permanent commissioners, one located in the west, one in the middle west, one in Ontario, one in Montreal, and one for the maritimes. I remember quite vividly that when I was chairman of the industrial disputes inquiry commission we dealt with a number of cases of the nature of the one to which my hon. friend referred, and in every case we were able to arrange a satisfactory settlement. I am sure my hon. friend appreciates that in the process of organization tempers sometimes become frayed on both sides, and that order in council has been of great service not only to the employees but also to the employers. If my hon. friend cares to look up that order in council, he will find the provision to which I have referred in section 5.

Mr. GILLIS: This afternoon the hon. member for Rosetown-Biggar brought up the question of the Dumart plant and asked the Minister of Labour if it was the intention of the government to place a controller in that plant in accordance with the wishes of the employees. The minister categorically replied that it was not. That plant has been closed for some four weeks. It is an essential industry. Bacon is practically under government control; the bacon board demands a certain quota from each plant each month, and there is no doubt that the attitude of the operator of that plant is interfering with the war effort.

This dispute had its origin in a trivial matter; two employees were dismissed over a slight argument, and as a result there was a walk-out of the employees. The same evening a representative of the Department of Labour arrived on the scene, and, after negotiation, felt he had the matter settled. He went to bed that night in the belief that the dispute had been satisfactorily settled, as far as the workers were concerned and, as he thought, also to the satisfaction of the employer. The employees reported for work at seven o'clock the following morning, and were notified that the plant was not open; evidently the employer changed his mind overnight. The situation at present is that this is an illegal lock-out. That is not my version of it; the representative of the Department of Labour, who was sent to negotiate the dispute, made that declaration publicly. For some four weeks the employers have refused to open that plant. The union which functions there is of the government's own brand; it is an employees' committee, and the employees are under contract with the plant. One of the provisions of the contract is that all disputes must be taken up with the local superintendent. The man who dismissed the two employees was not the local but the general superintendent, which placed the local superintendent in a position where he could not very well settle the matter in accordance with the terms of the contract without going over the head of his superior. The situation is in quite a tangle now, and I think it is time someone took hold of it and tried to do something about it. Some three weeks ago I had the privilege of meeting a committee from that plant, just a couple of boys and a couple of girls who had not very much of an idea what it was all about, who came here to see me.

I am not going to elaborate the matter further. I say it is absolute neglect on the part of someone. I should like to direct the attention of the Minister of Labour, however, to an editorial appearing in this afternoon's Ottawa *Journal*, dealing with a speech delivered by the director of national selective service to the Canadian Manufacturers' Association. It is well worth reading by anyone interested in relations between employer

and employee. He makes an observation which I think is pertinent, having in mind the attitude of the management at the Dumart plant:

> To those who don't want good relations or don't appreciate their value, I say: The country cannot afford to have you as an employer at any time, particularly in war time. You must change your ways. . . .
>
> Waving a flag in a workman's face and calling on his patriotism cannot be a substitute for decent treatment. You cannot write a memo about it, and accomplish it. . . . It must be an attitude, a frame of mind, a recognition of existing facts and conditions which can be turned to mutual advantage for an employer and employee—and for the country.

I believe that statement is absolutely pertinent to this case. The employer is wrong. He is interfering with an essential industry. The matter was settled by arbitration. There is nothing in the dispute to-day that should keep this plant idle, except stubbornness on the part of the employer. The employees want to return to work one hundred per cent, including the two men who were dismissed, and then they are willing to have the matter arbitrated. They are prepared to go before any board of arbitration and negotiate what may be in the mind of the employer or any grievances they may have. Their contract has been violated. The general superintendent, in precipitating this trouble, placed the management, the local superintendent and the employees in a position where they are deadlocked, and the plant is closed. I think it is time the Minister of Labour or someone demonstrated the attitude of mind which Mr. Little mentioned in the remarks I quoted.

Mr. JACKMAN: Will they go back to work without the two men who were dismissed?

Mr. GILLIS: There is no reason why they should. The plant has been idle for a month now. The dispute was over nothing in the first place; it had to do with a short period they had at the noon hour. The two men dismissed were working at the far end of the line, and when the dinner hour arrived, as I understand it, they got away five or ten minutes later than the other employees, but they came back at the same time. As a result they were not getting sufficient time to complete their meal, and they merely requested that they be allowed the extra time they had to stay on the line after the other workers left. For that they were dismissed. I just happened to come across a parallel case which occurred in Britain, and perhaps it is worth while putting it on record. This concerned the dismissal of a woman in a plant. The union presented their case; the management presented their case, exactly as was done in the present instance. The matter went to a court, which found that while the employees did not do right in walking out, nevertheless it was the only way they had to demonstrate in order to assist the woman who was dismissed for a reason which was found insufficient to tie up a plant. The matter was straightened out in that way. The court of arbitration in Great Britain decided in that manner, and for four weeks the employers in the plant have sat back and refused either to recognize common sense or loss, or the seriousness of the war situation, or the essentiality of their plant in that setting.

On the basis of the Kirkland Lake dispute, and many other disputes which have taken place across Canada I say it is high time somebody got down to business, and set up a court with a man like Elliott M. Little at the head of it. My opinion is that it is a disgrace to have a plant of that kind tied up for four weeks—and to all intents and purposes the same situation is going to continue. I myself cannot understand what the trouble is. Through one of its officials the Department of Labour have declared this an illegal lock-out. If to-morrow there is an illegal strike, what happens? The Minister of Labour immediately places the responsibility on the Department of Justice, and those responsible for fomenting and carrying on the illegal strike are tried and interned. For example, C. S. Jackson was interned.

Mr. MITCHELL: Not for an illegal strike, was he?

Mr. GILLIS: Jackson was interned for that strike in Toronto at the General Electric plant.

Mr. JACKMAN: And for lesser allegations than that.

Mr. GILLIS: I would not argue the point, but that is the way I feel about the matter. If one of the minister's officials publicly states that this is an illegal lock-out, and it is carried on for four weeks, is it not about time that it was passed on to somebody else for some action? Certainly that plant should be working.

I have no intention of labouring the matter further. I spoke this afternoon because the matter had been discussed by the hon. member for Rosetown-Biggar. I had the privilege of sitting in on the committee. I saw a couple of boys and girls who are willing to work, but who are certainly not in a position themselves, with their knowledge of affairs, to arbitrate and to get a fair settlement in the matter.

If the Minister of Labour and his department, who are experienced in these matters, are not prepared to take hold and see that matters are settled to the satisfaction of all concerned, then something else will have to be done. The trouble can spread.

The Burns packing plant is a big organization. Packing plant workers in Canada belong to a powerful trade union, and they have powerful international affiliations. I do not think they are going to sit back much longer and allow a certain portion of their workers to starve in the street, in the present circumstances, without some justification. The natural procedure is to support those people.

Mr. MITCHELL: As my hon. friend is well aware, I have never taken the position, and do not now intend to do so, that it is in the public interest immediately to take over a plant because a group of workers or employers act in opposition to government policy. I should like that to be clearly understood.

I am not going to discuss with my hon. friend whether this was a lock-out or an illegal strike. As he knows, since I have been Minister of Labour I have decentralized the conciliation service of the dominion and placed it under the jurisdiction of provincial governments. That was done primarily because there had been some delay in facing up to industrial disputes. The settlement of the dispute in question was under the jurisdiction of a provincial department of labour. I believe that is a fact which may readily be agreed upon. May I add that there has been considerable trouble at Dumarts, ever since the place was organized. I believe that can be freely admitted. There was ample provision under some of the orders in council which have received criticism from certain people in the dominion to take care of the situation which arose there. The people at Dumarts knew it. Let us keep the record straight on that point.

It should be stated that the strike took place when the business agent was having a discussion with the management. The management claimed that the language used by the two people discharged was not the kind of language which should be used. Possibly it was the language of the slaughterhouse—because we know that miners, electricians and engineers do not always use the most pleasant language at times.

Mr. GILLIS: Very expressive, though.

Mr. MITCHELL: Hon. members will see the difficult position in which it places a minister of labour, whether he be a minister in the Ontario government, or myself. When people go on an illegal strike a minister's hands are immediately tied.

Mr. GILLIS: But it lasted only about four hours.

Mr. MITCHELL: That is not important.

Mr. GILLIS: Your official settled it.

Mr. MITCHELL: There must be discipline in these matters; let us be fair. As I said this afternoon, when I was chairman of the industrial disputes inquiry commission I looked into disputes of this kind on many occasions. I could have sent a commissioner in within twenty-four hours, and got back his report, as we have done on many occasions. But the company claimed that these people left their employ, rightly or wrongly, and they contend that a good deal of business had been lost through this dispute.

I have always felt that there was a grave risk in putting people out on the street. My hon. friend will agree with me that that is one of the easiest things in the world—to have men and women on the street. But sometimes it is not so easy to get them back to work. Industrial leadership is the fly-wheel. There must be leadership on both sides; sometimes it breaks one way, and sometimes the other way. But if we took that leadership away, whether it be among the employers or the employees, I am afraid industrial conditions in this country would be in a very grave state.

I suppose for many years I have been as close to the rank and file as most people in the labour movement of Canada. I have found on every occasion that if people are given the right kind of leadership, one can take them out or leave them in—as long as one is frank with them. For instance, in my own trade, in my own city, we were among the highest paid in the dominion. Yet we never had a strike, during the whole of our existence. That is why we were among the highest paid in the dominion.

Mr. GILLIS: But you had good wages and good conditions; there was no necessity to call the men out.

Mr. MITCHELL: Not always.

Mr. GILLIS: These things were not all handed to you on a platter.

Mr. MITCHELL: I appreciate that.

May I say with regard to Kirkland Lake that I am quite prepared to discuss the whole matter at another time. As I said, however, at the moment the Dumart dispute is in the hands of a provincial government—and I am not saying that to get out from under any responsibility in the matter.

Mr. JACKMAN: Where does the angle of war production come in? Do you turn over

all these disputes to provincial governments, or are matters affecting materials essential to the war not handled from the dominion department?

Mr. MITCHELL: The plant is not closed.

Mr. JACKMAN: It is operating?

Mr. MITCHELL: Yes.

Mr. JACKMAN: Then what are the employees doing?

Mr. MITCHELL: Half of them are at work, and half have left. I do not know a great deal about the slaughterhouse business, but my information is that as soon as this trouble was encountered the company stopped buying, because their private business was in danger. It created a problem for the employers as well as for the employees, who resented it very much. Had I been with the employers I would have taken those people back to work. That, of course, is only my own view.

Mr. JACKMAN: On a question of general principle, if a business is engaged in producing essential war goods, and a labour trouble develops, does the Department of Labour at Ottawa ask the department in the province in which the business is located to look after the dispute?

Mr. MITCHELL: They do so automatically.

Mr. JACKMAN: So that we are not likely to have a situation such as arose in connection with the National Steel Car company at Hamilton, where the Department of Labour at Ottawa appointed a manager or supervisor? Do I understand that system no longer obtains?

Mr. MITCHELL: He was not appointed by the Department of Labour; he was appointed by the Department of Munitions and Supply.

Mr. JACKMAN: Was the decision of the government arrived at without bringing in the provinces?

Mr. MITCHELL: If the employer or the employee is in difficulties it is necessary that something should be done. This is one of the fly-wheels, one of the governors in what might be called industrial statesmanship. The reason why I did not do a certain thing was the consequences that might follow to employer and employee alike.

Mr. HANSON (York-Sunbury): Was not the taking over of the plant by the government really a last resort?

[Mr. Jackman.]

Mr. HARRIS (Danforth): Those who were put in charge of the plant did not know how to operate it. They had not been nurtured in that particular business, and they could not operate to the same degree of efficiency as the management, on the one hand, and the employees, on the other, if both the management and the employees were brought to their senses.

Mr. BLACK (Yukon): Yesterday I asked the minister a question as reported on page 3126 of *Hansard*. The question was:

> Is the order recently made by the national war labour board of Canada fixing the wages of common labour in the Yukon at 75 cents per hour plus cost of living bonus being enforced against all employers of common labour in Yukon?

The minister's answer was an unequivocal yes, but he went on to give certain facts which showed that his answer was a conditional yes. The fact is that the order is being enforced against Canadian employers and Canadian employees and not against foreign employers and foreign employees working in that part of Canada. The minister explained the necessity of hastening the construction of the Alaska highway for the defence of Canada and the United States. I say to him and to this committee that if the immediate defence of the United States and Alaska and Canada are dependent upon the completion of the Alaska highway, it is too late. At the present moment great numbers of fighting men and large quantities of mechanical equipment and weapons can be moved from the United States and Canada into Alaska without the use of the Alaska highway. These goods and men can be taken in by boat and by rail, and there is no limit upon what can be carried. I contend that to enforce the order of the Canadian wartime labour board as to wages for work in Yukon, wages paid by all employers and earned by all employees, would not hinder or delay the construction of that highway, the use of which is not immediately necessary because other and better means of transportation are available. I say that it is manifestly unfair to the Canadian wage-earners to limit the Canadian wartime labour board's order to the wages paid to them. I maintain that that order should be applied to all employers and employees in Yukon, Canada, regardless of nationality. It is not correct to say that the foreigner must pay and receive higher wages than the Canadian in order to hasten the completion of that highway. If the minister were a Canadian labourer working on that highway job, I am sure that he would not approve his own policy or the policy of his government. I ask him and I ask the government to

enforce that wartime labour board's order without favouritism and without exception. It is the only fair and proper thing to do.

Mr. MITCHELL: First of all, I am not going into matters of high strategy with my hon. friend. I am not going to discuss whether troops should be moved to Alaska or to the Yukon by ship or by rail. I am one of those who think that this war is going to last another ten years, although I hope I am wrong. We may be very glad to have that road before the war is over. The other day my hon. friend drew to my attention the fact that wage rates in northern British Columbia were getting out of control. Agents of United States contractors were going through the west recruiting labour for the Alaska highway. We acted with about as much expedition as we could and arranged a conference through external affairs with United States government representatives in an effort to overcome some of the disagreeable conditions that some think exist to-day in Newfoundland.

My hon. friend knows as well as I about the tremendous shortage of labour that will follow the building of this Alaska highway up through British Columbia and Alberta and also the highway from Prince Rupert to a point to the east. It will be necessary to recruit thousands of men, many of them skilled men, in the United States. In order to do that, it will be necessary to pay the going rates in the different communities in the United States where the men may be recruited. It is a general practice of law that when United States citizens work abroad they shall be paid a bonus of 25 per cent for foreign service. Then there is the matter of the exchange on the United States dollar. I do not need to tell my hon. friend what bearing this will have upon wages and prices in British Columbia when these men come to work during the ensuing summer months.

It was agreed between the representatives of the governments that the Canadian contractors should employ Canadians and that the United States contractors would have the right to bring in labour from the other side. As far as the Canadians were concerned the workmen's compensation and the unemployment insurance benefits would prevail. United States conditions would prevail for the United States workmen. It was suggested also that the United States workmen should be advised to remit as much of their wages to the United States as they possibly could. I do not know of a more practicable way of dealing with the matter.

I appreciate that to some the rates of wages for unskilled labour in that part of the country may seem high, but I know something about board costs there. I think we all know something about the climatic conditions that prevail, the mosquitoes and the black flies. I think my hon. friend will agree that this thing should be given a trial in order that we may try to overcome some of the difficulties that may exist at the moment in Newfoundland. Our wage policy in northern British Columbia and Alberta must be such as to meet the tremendous demands for labour to build the Alaska highway.

Mr. BLACK (Yukon): I can only repeat that I think Canadian laws should prevail, that the foreigner should be subject to them just as must as we are.

Mr. MITCHELL: That is a lovely theory, but it does not always work, and I do not say that in any critical way. In connection with unemployment insurance and social security measures, there is already an arrangement between the United States government and our own which permits certain persons, particularly those who work on the railroads, to retain pension rights, social security rights, workmen's compensation rights and so on in the United States. The same condition prevails with respect to certain Canadians. From my point of view that is all to the good. If this exchange of opinions and services that has existed as between the dominion and the United States had existed in Europe, I do not think we would be fighting this war to-day. I cannot imagine, for instance, the French government owning a railroad to Berlin in the same way as the Canadian government owns that prosperous piece of track running from Port Huron to Chicago. In all these matters we find there is a necessity for the interchange of regulations and prohibitions between the two countries. Do not forget that the United States is paying for the Alaska highway, and we are not.

Mr. BLACK (Yukon): True, the United States is paying for it, and Canada is letting the United States build it through Canada, but I say again that it is not fair to the Canadian workmen to make them work for 75 cents an hour, while an American working alongside him and doing the same work gets $1.05 an hour.

Mr. HANSON (York-Sunbury): Does the minister not think we shall have to come to the higher level, or have endless confusion?

Mr. MITCHELL: I am not objecting to the higher rate.

Mr. HANSON (York-Sunbury): Neither am I, if they are entitled to it.

Mr. MITCHELL: But the understanding is that United States contractors will employ United States labour and they will be in their own camps. Canadians and Americans will not be working alongside one another as is generally understood of work on a construction gang, but there will be United States camps and Canadian camps, miles apart. If the Americans are going to recruit shovel runners, truck operators, what they call operating engineers in construction engineering—and I understand they will need about three thousand of them—I imagine that it will be necessary to get them from the places where these men can be found in the United States. I think I know something of the wage structure in that industry, and the only way you can get those men to go to Alaska is to pay them the proper rate, just as Canadian contractors will pay the prevailing rates for that part of the country.

Mr. ROSS (Souris): I did not get a chance to ask the minister about farm labour. He said that no government had ever attempted to handle that problem before.

Mr. MITCHELL: I said no Canadian government.

Mr. ROSS (Souris): And no Canadian government has ever handled the price ceiling before. The minister asked what I would suggest. I would remind him that last fall, on November 10, I appealed to the government to introduce national selective service at that time for industry, agriculture and the armed forces, and I pointed out that there were many good men in industry and agriculture who were worth ever so much more there than they could be in the armed forces. I know a young foreman in my own neighbourhood who was operating a very large farm. He did not want to go into the armed forces, but on the other hand he did not want people to say that he had not offered his services. He could render many times the service to this nation in managing that farm that he could in the armed forces; nevertheless he joined up.

The Prime Minister of this country delivered his man-power speech on March 24 of this year, but notwithstanding that speech nothing has been done to this day with respect to applying national selective service to agriculture. Great inequities prevail. Organized labour has been guaranteed a fixed price for its labour, using 1926-29 as the base period. Later on it was guaranteed a cost of living bonus, and there was a guarantee of salaries in industry. I think it would only be just if the government set a ceiling price for agricultural products, taking the same base period, and guaranteed the farm labourers the same rate of pay, plus a cost of living bonus. Farming is essential in carrying on the war, and I cannot see why the government should not guarantee a rate of wages to both farm labour and organized labour on exactly the same basis. There is a great disparity in the price ceiling, for instance, on butter fat, with a price of 50 cents a pound when it is used in making cheese and 35 cents a pound when it is used in making butter—a product that comes from the very same cow. There are many inequities to-day, and I think it would be reasonable to guarantee a ceiling price for agricultural products and to guarantee wages for the farm labourer, all on the same base period.

Mr. MITCHELL: My hon. friend mentions selective service. If I remember correctly, the first thing which the department did after the Prime Minister's speech was to freeze labour on the farms. That was the first industry we attacked.

Mr. ROSS (Souris): In what respect?

Mr. MITCHELL: No man working on the farm could leave it and go into industry without a permit. With respect to farm labour this summer, I might say that last year we had an agreement with Ontario, which felt there was going to be a shortage of labour in agriculture; the dominion government matched dollar for dollar with the province, up to an expenditure of $60,000 by the dominion, to provide farm labour, and under this scheme 23,000 persons were recruited for farms in Ontario. I think it is agreed that while there may have been difficulties, there was no acute shortage of labour in Ontario to harvest the crops. I discussed the very question my hon. friend now raises with the Minister of Agriculture last February, and we immediately set in motion a policy somewhat similar to that which we adopted with respect to Ontario last year. This year we are prepared to match dollar for dollar with Ontario up to an amount of $100,000, and we are hopeful that with the same enthusiasm and ingenuity the farm labour problem will be solved in Ontario again this year. I have enough faith in the vim and vigour of the Ontario government, working in cooperation with our own, to believe that we shall be able to meet the farm labour problem in Ontario satisfactorily this summer. Similar offers have been made to all the other provincial governments, but apparently they wish to handle the matter themselves, and after all, that is sound policy, for the best kind of government in some things is the one which is closest to the people.

Up to date we have had no request for similar assistance to that which we are giving to Ontario.

My hon. friend speaks of a cost of living bonus for farm labourers. It has been my good fortune or otherwise to be concerned with a good deal of labour and social legislation in this country, both federal and provincial, and unfortunately much of it exempts agriculture just as it exempts fishing and, to some degree, logging. In certain countries of the British commonwealth, in Britain, in New Zealand, and to a lesser degree in Australia, established rates have been set for farm workers. In this country our problem is a seasonal one created by conditions over which we have no control. I am a comparatively young man, but I hope to live to see the day when we shall set up in this dominion for the employment of men and women on the farm a scheme similar to that prevailing to-day in New Zealand or Britain or Australia. So far as the farm labour problem this year is concerned, I am hopeful that with the assistance of the Employment Service of Canada and the cooperation of the provincial governments, and, more important still, the cooperation of the people most vitally affected, the farmers, themselves, we shall be able to face up to the labour problem in every province during the coming year, notwithstanding the apparent shortage of labour particularly for war industries.

Mr. ROSS (Souris): Just to follow up the minister's answer about freezing labour on the farms: I do not think that is definite enough. I would remind him of the example I gave of the young man, thirty-five years of age, who is an efficient tractor mechanic, and who has the faculty of handling men. I suggest we ought to be in a position to tell that man where he can give the best service. He does not want to be in a position where, in spite of his efficiency, he will have to meet his pals who have come back from overseas, while he has stayed at home in a machine shop or on a farm. That sort of thing would be avoided if we had a national selective service system under which the government would have authority to say to that chap, "You will be rendering a greater service by remaining where you are; that is where you belong." He would be more than pleased. We have been too haphazard about the whole matter. We cannot get action with regard to it.

Mr. MITCHELL: I may tell my hon. friend, with regard to what he has mentioned, that is the purpose of the whole order, and this question is receiving consideration at this very moment, because, next perhaps to price regulation and wage stabilization, it is the biggest job which has been tackled during the war. He can rest assured that we are working, with all the speed that health and strength will permit, to launch a policy which we think will receive the approval of the Canadian people in the not too distant future.

Mr. POULIOT: This is a unique opportunity for members of parliament to discuss each of the departments, whether military or civilian. There is a main difference between the legislation that is before the committee and the estimates, in this sense, that when the estimates are brought up each minister must come in turn to answer the questions of the members, but in this case all ministers should be present to answer any questions from any hon. member on any item in their departments. Therefore, sir, it is my privilege and pleasure to congratulate the Minister of Finance upon his assiduity, and also his colleagues who have been here to answer questions from members, and I pay due compliment to the Minister of Labour, who has done fairly well in spite of the difficulties of the present time. I extend the same compliments and pay the same tributes to his colleagues who are here. But I shall have just a few questions to submit.

In the first place I would remind the members of the cabinet of a question which was asked of me at the meeting of the federation of mayors and municipalities here in Ottawa a couple of years ago, when the mayor of a city in beautiful Prince Edward Island, after I had been speaking of the work of the works progress administration in the United States, said, "Do you mean that we should imitate everything that is done in the United States?" My answer was, "No; we should imitate only what we think is the very best, because when we imitate everything it is not imitation; it is just aping." In that connection what strikes me is the reference to what is done in other countries, and the suggestion, which follows, that a thing is good provided we can say that it is done in any other dominion, in the United States, or in any other friendly country. This afternoon one of our colleagues went further and quoted to us the example of Germany with regard to monetary matters. Of course, we shall always benefit from the experience and wisdom of others. On the other hand, however, judicious selection should be made between what suits and what cannot suit this country. Therefore, sir, what I deeply regret is a complete lack of

imagination in the adoption of everything that is done outside Canada and that is known to us.

The second thing I have to bring before this committee is the apt remark which was made by the Minister of National Defence—some time in May, if I am not mistaken—when he said that one of the troubles of his department was that his officials could hardly make a distinction between what was essential and what was non-essential. It is very easy for any man or woman working in the office of a cabinet minister to deceive him, if that man or woman is unworthy, by putting on top of the files letters of no consequence at all and matters which unduly distract the minister's attention, and thus prevent him from reaching the essential and crucial points which he has to decide for the solution of any important problem.

I am in full sympathy with the Minister of Finance, the Minister of Labour and their colleagues, and, with all my colleagues of the house who are now sitting in committee I pledge my support to them inasmuch and just as generously as I can give it. But they should not be under the false impression that criticism is hostile. Criticism may be hostile, but no one has the right to forget that most of the time criticism is constructive, and criticism from members of parliament is the more constructive because they have the opportunity of seeing things which ministers will never see, on account of the fact that the treatment given to ministers and to members of parliament by this dominion bureaucracy is altogether different, and that when a minister tells his secretary, "Telephone Mr. So-and-so for such a thing," the answer is always, "yes"; but when a member of parliament does the same thing, the answer is, most of the time, "We regret very much that it is impossible to do what you ask."

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. POULIOT: This bill introduces a new set-up in legislation. As has been pointed out, it is altogether different from the customary practice. It would be interesting to know what could be suggested to be done by all departments other than the war departments to cooperate with the war departments so that we might have the most complete war effort in this country. What struck me was to read not long ago that in the United States the war effort so far as the steel industry was concerned was not considered complete although it was said to be 98 per cent. In this country the same question could be put with regard to each phase of our war effort. In the first place, in my humble view, the first country to consider is our own. We should never forget the particular interest of Canada in dealing with any other country. Patriotism is more than an ordinary quality; it is the virtue *par excellence* of citizenship; it is love of the land on which one is born or which one has adopted as his own country.

After the last war there was the treaty of Versailles and the establishment of the League of Nations at Geneva, which seemed to broaden the scope of patriotism but, in fact, deformed it. It is very sad to think that a good Canadian by birth or by heart is not given as much consideration in this country as a migratory bird who comes here only for the duration, and who is considered *ipso facto* as an expert, endowed with all knowledge and exempt from all criticism.

What I want in each branch of each department of this government is a real Canadian spirit which will serve as an inspiration and guide to all those who have to give their utmost cooperation to the head of the department, who is the minister. It seems that after the complete failure of the League of Nations, a failure that was acknowledged by two prime ministers of Britain, Mr. Chamberlain and Mr. Baldwin, before the beginning of this war, we should put utopias aside and come back to the old tradition which has been the strength of this country in years past.

I will take the list of the various departments that we read in this bill. I put in the first place the Department of Justice, because it is the department that interests us, the lawmakers of this country, most. Our statute book has been revised time and time again. We have been told that there are too many legislative bodies in Canada. There was too much legislation in this country even before this war began. We need think only of the statute books coming out yearly from our legislative bodies, from this parliament and the legislatures of the nine provinces. Who is the lawyer, however eminent he may be, who has made himself familiar with each one of those pieces of legislation?

Now, since the start of this war, conditions have completely changed, and it is impossible for us lawmakers, not only to be familiar with, but to follow the legislation by order in council, which is tremendously large and which comes, I would say, by the dozen. I will not

ask my colleagues if they are familiar with the statutes of all the provinces. I would ask them if they know anything of the 24,000 orders in council which I am told have been passed since the beginning of this war. I would draw the attention of the Minister of Justice to the fact that a distinction should be made between orders in council of a strictly legislative nature and those of an administrative nature, so that members of parliament may be informed, and in turn may inform their electors, as to the so-called progress of legislation by order in council. As was suggested the other day, it would be helpful to have a sort of loose-leaf system, so that very little time would be required to find what was needed. In reply to that suggestion we may be told that these orders in council are published in book form; that five of these books already have been issued, and that we are to have another in the near future. Here again, however, my complaint is that these books containing orders in council are not complete. We have evidence of that fact in the statement made by the Prime Minister the other day in reply to the hon. member for Lake Centre, when the Prime Minister said that it was most difficult to give a complete enumeration of the orders in council of a legislative nature; and, if my memory serves me aright, he added that such a distinction was not made in the office of the privy council, and suggested that my hon. friend get in touch with the clerk of the privy council and discuss the matter with him.

Sometimes members of parliament are told that their questions are long, or that it would be expensive to answer them. But many times members of parliament have asked for facts or information supposed to be before the minister, if the minister was familiar with his department. Many times during sittings of committees I noticed that people did not know how to work. They had to be told how to do their work; they did not know at which end to start. They had to be told what to do, step by step, and then when it was all done they were proud of themselves. But mark you, sir, many questions which are termed extravagant should not be called such without knowing their background, and very often a question asked by a private member is of great assistance to the minister who secures the information from his officials. So my suggestion in regard to the Department of Justice, with all due deference to the minister, is to ask him kindly to come to the help of members of parliament by making information as to legislation easier of access and more available to them, and therefore more available to the people of Canada.

The second department in importance is naturally the Department of Finance. This year we legislate almost entirely in regard to finance, and therefore we must be interested in the financial structure of this country. I remember the electoral propaganda of the province of Ontario at the time when it had leaders like Blake, Cartwright, Mills, Alexander Mackenzie, Mowat and many others who were fighting for provincial rights, as Mercier in the province of Quebec was fighting for equal rights. I remember the discussions carried on by Sir Lomer Gouin and the then Conservative premier of Ontario in regard to increased provincial subsidies, discussions that remind us of those which took place not long ago. We want a sound financial structure for this dominion. At times the minister must find it hard to say no when a request is made of him, and I am sure he is greatly pleased when it is possible for him to say yes. But he will never be mistaken if he takes with a grain of salt all extravagant suggestions that are made outside of the regular lines of logic, because there must be logic in finance as in any other science. While large sums are required at the present time for the prosecution of this war, the minister will realize that in the long run the dominion government will benefit by respecting provincial autonomy. At present there are officials in the employ of the treasury of each province who have shown themselves to be men of experience, who know their business. It would be most unfortunate if they should be ignored or put aside, so that they would not exercise the same responsibilities they have discharged for so many years, during which time they gained experience not only in the collection of taxes but also in the distribution of public money.

My further suggestion to the Minister of Finance is to give an opportunity to members of parliament to submit their views to him, not only with regard to taxation but with regard to the general policy of his department. After having heard all they have to say he would be in a better position to make decisions. I am not complaining about the minister. He is most accessible, and I know he is open-minded. But I should like him to give members of parliament an opportunity to discuss his policies before they are enacted, rather than after they are enforced.

The third civilian department in importance is, naturally, the Department of Labour. There are two things with which that department is not familiar enough. One of them is the fact that there is still unemployment in Canada. Those who deal with the subject are satisfied with what they read in the

papers, and are under the impression that there is not a man in this country who is willing to work who does not have that opportunity.

I congratulate the hon. member for Cape Breton South upon what he said yesterday and to-day. His manner of speaking reminded me of an able debater whose memory still survives in this chamber; I refer to the Hon. H. H. Stevens. I do not want the Minister of Labour to think that because the hon. member for Cape Breton South made some apt suggestions he was at all antagonistic. I am sure he was not. But he did want to bring the case of miners in his constituency to the attention of the minister, and in doing so he served them very well.

The minister knows that a man whose condition of health is good, but who has passed the military age, cannot get into the army. He knows, too, that there are many young men who have been declared physically unfit, and who cannot secure work. It seems to me that the Department of Labour should have a thorough investigation made by the officers in the unemployment insurance branch, and that the facts gathered thereby should be submitted by the Minister of Labour to the Minister of Agriculture, the Minister of Transport and the Minister of Public Works so that it may be seen what can be done to relieve unemployment and to contribute in a high degree toward increasing the war effort by distributing useful work among those at present unemployed.

Is it not possible to improve our highways, our links of communication between the various provinces, between Canada and the Yukon on the Pacific side or between the St. Lawrence river basin and the United States on the eastern side. This is a policy I have advocated for a long time. I have pointed out that our means of communication should be improved, and the men who are now unemployed are precisely those who could do that work. It would be a most useful work, one which would be necessary and, in fact, indispensable in the event of attack from an enemy. This is what should be done: How long and how often must we repeat it to have it understood? This is not a matter of patronage; it is a matter of protecting the country against any invader, and it is essential to our very lives. These things could be done easily, and without disturbing the war effort or the technicians, because it is done by manual labour.

I warmly congratulate my dear friend the former speaker, the hon. member for Yukon, upon the stand he took this afternoon when he refreshed the memory of the government about the road to the Yukon. What has been done about this road? We have heard about it for a long time. For some time we were told that we were not to build a highway, but that a railway was to be built connecting the boundary line between Canada and the United States with the Yukon. What progress has been made? Something may have been done which it is believed should be kept as a military secret; but if that is so, why do we not have a secret sitting to explain the whole matter to members who are eager for the information.

Besides that, we are not so sure that the enemy will invade this country along the coast; he may decide to invade this side of the Rockies, and Edmonton may be exposed. We know nothing about that, but we shall protect ourselves by having good roads which will facilitate communications and the transport of troops, munitions and supplies from one point to another in Canada, and between points in Canada and the United States. Those are things which could be done easily.

How much would it cost? Here we have a bill providing for the expenditure of two billions of dollars. I understand that it includes all expenditures for the army, navy and air force, and for some work of civilian departments. Certainly the building of good roads should be one of the first things done. It was done by the Romans two thousand years ago in Great Britain, and in many places those roads still exist. We see in England roads cemented by Caesar's men, and they have defied the centuries. We want roads in Canada which will afford the greatest opportunity of movement to Canadian troops, and give them the best possible chance to defend this country.

My second point in connection with the Department of Labour is this. The minister is a union man, and I regret to have to say to him that I have been disappointed with the unions. I will ask him to corroborate what I have to say. It is unfortunate, but the fact is that quite often the leader of a union represents himself, his immediate associates, his relatives and friends rather than the general membership. I have known of cases in the Canadian National Railways where the men did not get the support they expected from the leaders of the brotherhoods. I say that without any rancour; I say it just to put my case before this committee. I am just representing my electors. Quite often when a man gets to the top of the brotherhood he does not seem to be the same as when he was taking his first step upwards. It is difficult for the men to lodge complaints with

the department when they cannot secure the approval of the head of their union. That is why they come to the members of parliament. They explain their cases in all confidence and ask us to defend them on the floor of the House of Commons. I hope the minister will be able to do something along the lines that have been suggested.

The Department of Transport has to do with the Canadian National Railways. I do not want to see an amalgamation of our railways because competition is necessary in this country. I would fear an exploitation by gangsters in an effort to make money by an undue increase in the price of the stocks of either one of the railway companies. I want competition, but I also want fair play for the men. I want a complete exposure of what has happened in connection with the financial structure of both railways.

I should like to say a word about the Department of External Affairs. Most of the agitation that has taken place with regard to Free France has been coming from civil servants. They are canvassing this one and that one and using intrigue in an effort to cause trouble in this country. I suggest that instructions should be given by each of the ministers that civil servants should mind their own business, especially in connection with external relations.

The ACTING CHAIRMAN (Mr. Bradette): The hon. member has spoken for forty minutes.

Mr. MITCHELL: I think everyone in this house and in this country will get comfort from the fact that on May 1 the number of unemployed registered at the Enployment Service of Canada was the lowest in the history of the dominion.

Mr. HANSON (York-Sunbury): It should be.

Mr. MITCHELL: I agree with my hon. friend the leader of the opposition. I would say to the hon. member for Témiscouata (Mr. Pouliot) that I have knowledge of vacancies for 4,000 men who could be put to work tomorrow in his own province. The unemployed figure is 26,000, which includes men and women. Many of those are in and out of employment. You often run across that class of person in the country, a very necessary class of persons who are willing to undertake what might be termed casual work. In our search for manpower, order in council P.C. 1445 was passed on May 1. This provides for the registration of everybody between the ages of sixteen and seventy years who is out of employment. We want to know those people who want to work and those who do not want to work.

I consider we have the most efficient employment service in the history of this dominion. What we are trying to do is to make it a living thing, something that will render service not only to the employee but to the employer. I hope, when this period of stress is over, we shall have an employment exchange in the truest sense of the word, an exchange where men and women can be placed in close contact with work irrespective of where that work may be. Where necessary, we have paid the railroad fares of those persons who we considered were necessary to the war industry of Canada.

Some mention has been made of the labour union officials. I have had some knowledge of the officials of the labour unions of this dominion, and I think they compare favourably with those in any other country in the world, and that covers a lot of territory. I believe this is exemplified by the situation that exists to-day in connection with strikes. At the moment there are 238 persons in Canada who are on strike. I do not think any country in the united nations, or probably in the dictator nations, can show a record like that. One strike is at a coca-cola plant, but I think we can get along without coca-cola. No one will suffer except people who are on a diet who drink a bottle of coca-cola and smoke a cigarette for lunch. Our future generations are likely to suffer because of that kind of thing. Then there is a window-cleaners' strike in Montreal, involving six people. We can get along without windows if necessary. Where the blitz is in operation in Europe, particularly in Germany, I imagine they are getting along without windows. Then there is a small strike at the Canadian Bridge company, involving twelve people. If my information is correct, these twelve men quit work to go somewhere else to work. All this I think demonstrates the good work being done by the trades union leaders and employers in this country. All parties in this parliament and the public in general should be encouraged by reason of that state of affairs. It is something of which we should be proud. I trust I have answered some of the questions raised by my hon. friend.

Mr. McIVOR: I should like to ask the Minister of Labour a question which I think has something to do with our war effort. It has bothered me for some time, especially when I hear and see the ability of hon. members to represent just causes in this house. Some of us were privileged to visit the magnificent plant in Montreal of the Canadian Car and Foundry company. We were interested in what they were turning out, but I must admit that I was more interested in the men and women who toiled there than I was

in the output. Repeatedly I asked how much the men were being paid, and I found that they were receiving the same rate of wages as was paid at the head of the lakes less the higher cost of living there.

I found, too, that in aeroplane works all across Canada wages were pretty much on the same level, but it was forcibly brought home to me when I was at home during the Easter holidays that persons engaged in the pulp and paper industry are paid much higher hourly wages at the head of the lakes than for similar work in the province of Quebec. I know the cost of living is higher at the head of the lakes because perhaps the food is better and of a higher quality, but a man who does a job has a right to the same rate of wages wherever the job may be done. The minimum wage in the union at the head of the lakes is about 57 cents an hour. In the province of Quebec the rate is very much lower. This makes for unrest among the workers of Quebec and among the manufacturers of pulp and paper in other places. That is perhaps the reason why at the head of the lakes there is more lay-off than in paper mills in the province of Quebec. I would ask the Minister of Labour whether it would not be possible through the cooperation of the provinces to have a uniform scale of wages applicable to every industry throughout the length and breadth of this dominion. I think that would make for a more united Canada. I understand that an administrator is to be appointed for the pulp and paper industry, and I am sure that a uniform rate of wages is one of the things that he will take up. I am sure the hon. member for Témiscouata would say that an employee in the province of Quebec should have the same rate of wages as an employee in the city of Fort William. I am sure he would say that the French Canadian can do as big a day's work as a man anywhere else, and I say to the members from the province of Quebec that this is one of the outstanding problems they must face in the future, namely, a standard wage level throughout the length and breadth of Canada, for a man is a man no matter where his employment may be.

Moreover, I think a lady, because she is a lady whether she toils or not, who does the same kind of work as a man should receive the same wage as a man. Here is one place where man should step down and recognize the ability of woman to work as well as he can. That is seen in this House of Commons where the lady members rival the best of men.

[Mr. McIvor.]

Mr. JACKMAN: Earlier in the afternoon a question was asked of the Minister of Labour concerning the capping of certain wells in Alberta. An answer should be given by the government because the question implied a serious charge against the owners of certain oil properties in that field. If the wells were capped in peace time for a good, rational purpose, the government should explain why they are still being capped, if they are, and what is the intention of the government in this regard. I do not consider that such an allegation—for there was an allegation contained in the question—should go unanswered in this house. The hon. member who made it was sincere. If it is not answered it will appear that the government is unable to answer it, and that is likely to cause a certain amount of ill feeling throughout the country if the allegation contained in the question is true. I would therefore ask someone in the government to give an answer to the question.

Mr. MITCHELL: Since the hon. member addresses his question to me, may I say that I have enough misery on my doorstep—and lots of pleasure too—without intruding into the affairs of another department, but I can say that the hon. member may rest assured that there must be an answer to the question and that an answer will be forthcoming as soon as the responsible minister has an opportunity to look into the matter.

Mr. FRASER (Peterborough West): The minister has been talking about strikes. It is not only strikes that interrupt work. There is sickness. It was brought to my attention on Saturday that in some plants in the United States a doctor goes up and down the aisles among the workers two or three times a month to check on their health. A good doctor can tell at a glance whether a man or woman is sick or whether there is anything wrong. If he sees somebody needing attention he will say to him: "You go into the office." One doctor I know has three plants to look after in this way, and he has other doctors to help him. By this method these plants have cut their lay-offs by more than one half. Would the minister take something like that under consideration?

Mr. MITCHELL: If my hon. friend had been around industry to the extent that some of us have—

Mr. FRASER (Peterborough West): I have.

Mr. MITCHELL: —he would be amazed at the strides which have been taken in that direction during the last generation. This dominion takes second place to no other

country in that regard. While this is a matter that comes almost exclusively within the jurisdiction of the provincial governments a tremendous improvement has been made in the last generation in looking after the health of the workers. That improvement is not static; it is dynamic; progress is being made all the time. We have seen the development of workmen's compensation, which in itself has given a tremendous impetus to reducing the industrial accident rate in every province. My hon. friend may rest assured that the provinces and the dominion government itself are not unmindful of the important contribution that can be and has been made by accident prevention and by looking after the health of employees engaged in industry.

Mr. FRASER (Peterborough West): I quite agree with the minister that great strides forward have been taken. Most factories have a nurse on the staff, but a nurse as a rule lacks the necessary training to check up on the workers as a doctor can do. That is why in some plants they are engaging a doctor to look after the health of their workers.

Mr. MITCHELL: Only two weeks ago I was at a plant which had two doctors to look after 4,500 employees. Of course, however, there may be difficulty to-day in obtaining doctors in view of the demands of the armed forces. I was a member of the hospital board in my own city of Hamilton for fifteen years, and I know something of the interest that is taken, particularly by the larger industrial organizations, in the health of their employees. When I spoke a moment ago of the tremendous strides forward that have been taken in the last generation I spoke of what I know, having been engaged in industry myself twenty-five years ago, and I know what a different approach there is to-day, largely brought about through the efforts of public-spirited citizens and the adoption of measures such as unemployment insurance and workmen's compensation in the various provinces and the dominion.

Mr. FRASER (Peterborough West): But instead of there being a doctor in just one plant here and there, that practice should be general throughout the country. The minister mentioned Hamilton. There was brought to my attention yesterday the case of one plant in Hamilton where a doctor was engaged to look after the health of the workers, and there was another plant in Toronto, and two in Peterborough, but the system should be general.

Mr. MACKENZIE (Vancouver Centre): Under order in council P.C. 1550 of March 2, 1942, paragraph 2, my hon. friend will find ample authority for the inspection of all such premises throughout the dominion, and that is now being done, exactly with the purpose in view that he suggests, that is, studying the question of industrial fatigue and making recommendations for improvements in all our industrial war plants.

Mr. HANSON (York-Sunbury): Is that mandatory, and is it being carried out?

Mr. MACKENZIE (Vancouver Centre): Yes; it is being carried out by arrangements in our department, the Department of Pensions and National Health, also the Department of Munitions and Supply and the Department of Labour.

Mr. HANSON (York-Sunbury): Just before this section carries—and I hope it will carry very soon—I want to ask the Minister of Finance a question with respect to the interpolation of the phrase in clause 2, "subject to allotment by treasury board." I believe that is a new provision. Would the Minister of Finance be good enough to explain just what has caused the government to include this in the substantive part of clause 2, and what circumstances dictated this change? I am inquiring just for information.

Mr. ILSLEY: It was suggested by the auditor general. He was doubtful whether the practice being followed, which is that allotments are made by treasury board after the programme or project is authorized by the governor general in council, was within the powers of treasury board, but he suggested that it should be put beyond doubt by the insertion of this provision in the bill.

Mr. HANSON (York-Sunbury): In other words, this is for certain.

Mr. ILSLEY: Yes.

Mr. POULIOT: The Minister of Labour is surely familiar with the road policy of the dominion government during these past years. For a time grants were made under the Minister of Railways and Canals. At that time the Department of Railways and Canals were building parts of roads with subsidies which were spent under that department; afterwards the Department of Labour was associated with the provinces and the municipalities in the building and upkeeping of roads; and finally the contributions were sent by the Department of Labour to the provinces for certain particular roads which were described in the requests from the provinces. Afterwards roads and parts of roads were built by the Department of Mines and Resources and the Department of Public Works. But that was

done before the war. Since the war started, I do not know of any roads that have been built by this government. I draw the minister's attention to the fact that the money spent for the trans-Canada highway has been much greater in Ontario than in the province of Quebec. In Ontario the expenditure for that purpose was $14,000,000, while in Quebec it was only about $400,000.

That being said, I ask the minister if it is not the policy of the government to build good military roads in this country, particularly between the shores of the St. Lawrence river and the boundary line of the United States. There are three highways there: the King Edward highway, which perhaps is now called the Laurier highway, between Rouse's Point and Montreal; the Levis-Jackman highway; and also the Rivière du Loup highway, which is a section of route No. 2, trans-Canada highway, and an old military route which was rebuilt at the time of the Fenian war. Work on this road, particularly because of our close relations with the United States, should be expedited. In fact it is now used by the army, in spite of some curves which should be reduced; and the pavement of that section of No. 2 highway should be put in the best possible condition. I ask the minister whether the government is not disposed to proceed with this work at the earliest available opportunity, so as to provide the greatest possible mobility for our troops in the event of an attack in that part of the country.

The ACTING CHAIRMAN (Mr. Bradette): Clause 2 carried.

Mr. POULIOT: I know that the clause has been carried, but I would ask the minister to be kind enough to say whether it is the policy of the government or not. If it is, I will congratulate them; if it is not, I shall continue my efforts to try to get them to do something.

Mr. MITCHELL: As my hon. friend, no doubt, well knows, the federal government stopped contributing to relief roads last year, and I understand that any roads which are now being built are built at the instigation of the Department of National Defence and for military purposes. The matter is completely outside the sphere of my department, and I think the appropriate department should answer for itself, if the question is to be answered.

Mr. POULIOT: I thank the minister for his answer, and I will ask him if the Department of National Defence has adopted the policy of building roads required for military purposes. That is what I want to elucidate.

[Mr. Pouliot.]

Mr. ILSLEY: The only one that I remember is the Terrace-Prince Rupert highway, but there may be others. These are important defence projects for specific purposes, and if there is no other way to get the roads built, the dominion government does it as a matter of defence. Like my colleague, the Minister of Labour, however, I do not pretend to keep these projects in my mind; it is within the realm of another department.

Mr. HANSON (York-Sunbury): May I call the minister's attention to another road coming within that category, to which I think the government should give attention. It is on the east coast, between Bathurst and the Miramichi river, commonly known as the Bathurst road, which would be an important road if it were necessary to remove any body of troops quickly along that area. I know there have been negotiations between the Department of National Defence and the province of New Brunswick. The province simply will not surface that road. I suggest that this ought to be called again to the attention of the Minister of National Defence with a view to reviewing the position.

Mr. POULIOT: I agree with what the leader of the opposition has said. It is a vital problem. We cannot insist too much upon it. Look at the size of this country. In the east there are only three railway lines; the transcontinental; the Canadian Pacific Railway, which passes through United States territory for a certain distance; and the Intercolonial. If a bridge is blown up, the traffic stops; and it is necessary not only to protect bridges but also to improve the highways to provide against any deficiency with regard to railway traffic. At the present time railway traffic, both passenger and freight, is jammed, and of course the roads are most necessary for transportation by truck and car. Many military convoys pass over the route I have already mentioned.

I admit that the Prince Rupert highway or the British Columbia-Yukon highway may be very important. I do not discuss it at all; I agree with it. It is not, however, the only highway that is necessary in Canada from a military point of view; there are many others. They are the more necessary because we have not as many railways as have other countries, for the reason that our population is more scattered. Therefore it is most important to do that highway work at the earliest possible opportunity. Whether it is done by the Department of National Defence or the Department of Public Works or the Department of Labour or any other department does not matter, provided it is done. It should

be done in case of emergency, or in case of any bridge being blown up and the traffic being blocked at any point. Under present circumstances it is most urgent to have it done. For instance, what would happen if the bridges on the Miramichi were blown up, if the bridge near Moncton where the transcontinental joins the intercolonial were blown up. Anything might happen. I do not need to say more; the maps and the timetables are there, and hon. members know the geography of our country. It is one of the most urgent things to be done, independently of any party consideration. It is vital to cut red tape at this point.

There are some guards, most of them returned men, on bridges; all right, give the returned men a chance; but the guards should be able-bodied men, familiar with handling a gun, to protect those vital arteries, the railways and highways. We cannot do too much in order to have that work done just as soon as possible, the same as it is done in any other country that is preparing itself for defence. I am told that the preparation has started. It is the very best thing to do, not only in the view of military experts but for the purpose of giving security to the population.

It is also very important to decentralize industry, particularly with regard to the railways. If a bridge is blown up and locomotives cannot cross to the shops where they are repaired or rebuilt, is it not vital that there shall be the largest number of shops available for urgent repairs in such cases? At the present time the policy of the Canadian National Railways is wrong in that respect. It is a policy of centralization at five or six points in Canada, to the detriment of smaller places. For instance, centralization is going on at Moncton, Montreal, Point St. Charles; at Stratford in Ontario; at Transcona near Winnipeg, and so on. At Rivière du Loup there are very fine shops. There is an erecting shop, one of the six or seven mechanical erecting shops, and there is a roundhouse. They can repair locomotives very well, and they do excellent work. At present many men there are laid off because there is not enough work, while at the same time at Moncton they cannot do all the work they have, and from Montreal they send their locomotives to Transcona for repairs. Think of the mileage cost. One must come down to common sense and not forget that what is done in smaller centres is probably more important than what is done in large centres.

I insist again on that policy of military roads, arteries. For commerce they may be used incidentally; after the war they may be used for tourist traffic, but now they are essential from the military point of view. I hope that the government will consider the matter, and that what I have said has not fallen on deaf ears.

Mr. O'BRIEN: Earlier in the day the hon. member for Parry Sound and the leader of the opposition, speaking of the defence of Halifax, brought to my mind the situation just mentioned by the hon. member for Témiscouata. I wanted to refer to the matter at that time but the opportunity was not available.

The Miramichi river in my constituency, is one of the largest rivers in eastern Canada, having direct access to the sea. Some thirty miles from the sea we have a depth of water as much as forty-five feet. It is my belief that because of the knowledge the Germans have of that part of the country, from information gathered during their two or three years there carrying on shipping, they know every foot of ground probably much better than those of us who live in that community. For that reason I believe it is a strategic point in the defences of the eastern coast, particularly of Halifax.

The Canadian National railway crosses the two large branches of the Miramichi over very heavy steel bridges; and while we often hear the saying, "It can't happen here," it would not surprise me if any morning we learned that a submarine had come into the Miramichi and proceeded to damage or blow up these bridges. If that happened, Halifax would eventually starve to death, because the main line of the railway from upper Canada through Halifax to Great Britain would be cut. Halifax is reasonably well defended except for lack of the barrage balloons which the hon. member for Parry Sound mentioned and which I think is a worth-while recommendation. But it seems to me that if any attempt were made to damage Halifax, it could be readily done through the Miramichi. Some time ago I wrote to the Minister of National Defence pointing this out. I believe it is a most important and critical point in the defences of eastern Canada, and at present there is no protection whatever. A reasonably small net across the mouth of the Miramichi bay would, I think, afford adequate protection against the danger which I foresee, but which I very much hope may not happen.

Mr. QUELCH: There is a question I should like to ask the Minister of Finance. Earlier in the session I addressed my question to the Minister of Trade and Commerce, but he quite properly stated it was a matter for the Minister of Finance to decide. Farmers in western Canada, while not criticizing the policy

of maintaining price control, do feel critical of the government for having established a price ceiling without first establishing parity of prices. The Searle Grain company in their letter of May 20 last established that fact quite well. They show that the present price of wheat is now 43 per cent below the 1913-14 parity price, and the 90 cent price established for the new crop is 31 per cent below parity. The price of hogs is now 14 per cent below parity, and steers 10 per cent below, but I understand the latter has now been adjusted. In any event this shows clearly that as far as agricultural products are concerned parity of prices has not been established.

It is interesting to note that when the matter was raised in the house the Minister of Agriculture stated: "We are taking every last dollar out of the treasury of Canada to deal with these problems which we feel it is safe to take at the present time." I do not think anyone would suggest that by this statement the minister meant that there was no more money available to the government wherewith they could pay a parity price to agriculture. I take it what the minister meant and what the Minister of Finance would mean is that if the government were to increase the price of agricultural products, they would thereby increase the purchasing power of the farmers, which would increase the demand for goods, and the result would be inflationary. I take it that this is really what the Minister of Agriculture was referring to at that time. I noticed a statement made by Mr. Donald Gordon some time ago in Winnipeg, and quoted in *The Western Producer* of April 23, as follows:

> I do not want to leave the impression that in this question of the farmer's relation to the price ceiling I dismiss the farmer's case and say: Take it or leave it.

Then he goes on:

> What I do say is that if the price-ceiling policy is going to be successful it cannot be subject to qualification. Increases in agricultural prices would start the inflationary spiral in motion again . . . and the farmer has as much to lose as anyone in that event.

First of all he states that it is not a question of saying that the farmers must either take it or leave it, but later on he says that if prices of agricultural products were increased, the result would be inflation, and that, therefore, such increases cannot be allowed. I have a suggestion to offer to the Minister of Finance. Surely that difficulty could be overcome if the government would make up the difference between the parity price and the present price the farmers are receiving by a payment in the form of a certificate that could not be cashed until so many months after the end of the war.

That would absolutely obviate the danger of inflation and at the same time make it possible for the farmer to establish a sinking fund for the purpose of paying his debts at the end of the war. I wonder if the minister could explain why such a policy could not be adopted. I think he will have to admit that it would avoid any danger of inflation, so long as these certificates could not be cashed until after the war, and at the same time it would guarantee the farmer a parity price and put him on the same level as other industries.

Mr. ILSLEY: Well, Mr. Chairman, I was hoping that the debate would end some time—

Mr. QUELCH: This debate has gone on for five or six weeks—

Mr. MITCHELL: Seven weeks.

Mr. QUELCH: —and up to the present I have taken only one-half hour during the entire debate. So I do not think I need ask the indulgence of the committee when I submit one question at this time.

Mr. ILSLEY: The hon. gentleman has asked what would be the disadvantage in issuing war savings certificates to a number of people, I presume a large number of people, in this country. The disadvantage would be the great increase which would result in the national debt, and which we try to avoid if we possibly can. That is why we tax as heavily as we can instead of borrowing all the money we need; we do not want to increase the national debt any more than is absolutely necessary.

With regard to the question of parity in farm prices, surely we have debated that over and over again. I personally have made several speeches about it both inside and outside the house; and when I have been in this chamber while my colleague the Minister of Agriculture was addressing the house, I have been made very conscious of the fact that the debate on agricultural prices was going on not only hour after hour but day after day. I would respectfully suggest that after the tremendous length of time we have been on this bill, after having discussed the resolution for a great number of weeks and taken up these very questions, we should try to conclude the discussion to-night without opening up these matters all over again.

Mr. CLAXTON: Before we finish with the Minister of Labour there is just one matter I should like to bring to his attention, which I am sure he can deal with very quickly. It is a matter which is causing a good deal of concern, and it is of some urgency. I refer to the question of the children of married

women employed in war industries, which I understand comes under the jurisdiction of the Minister of Labour.

The extent of this problem may not be fully recognized by the house or by the country, though it is beginning to receive some attention in the press. In Montreal, in one plant alone, it is said there are employed 1,717 married women with children. In another plant it is said that of the 2,100 employees, 25 per cent are married women, while in a third plant out of 1,300 employees, 27 per cent are married women. In Montreal there are only three institutions equipped and qualified to look after the children of married women who go out to work. In Toronto a survey was conducted of five schools, and it was found that the mothers of 25 per cent of the children were out working, principally in war industries; and it has been stated in one magazine that 20 per cent of the children attending school have their mothers out at work. In Toronto there are only seven institutions equipped to look after these children. The facilities are hopelessly inadequate, and a single agency is said to have turned away 1,500 mothers who wanted to place their children regularly with it. I have no doubt that the same problem exists in other cities throughout Canada, such as Hamilton, Oshawa, Peterborough and so forth.

We can easily see what this leads to. In the first place it leads to malnutrition, and already there are alarming reports of increases in infant mortality in Ontario. It leads to truancy from school. It leads to a considerable increase in juvenile delinquency, an increase estimated at as much as from 50 to 100 per cent in the ages from eight to twelve. If we want married women working in war industries—and I think we do—then we need to look after them and their children, and this is a responsibility of the federal government, which is responsible for carrying on the war and providing the munitions necessary for that purpose. On the other hand, the problem is a complicated one, by reason of our relations with the provinces. Speaking in this house on March 24 of this year the Prime Minister said, as appears at page 1565 of *Hansard:*

> The series of measures being undertaken to bring women into industries include:
> 6. The provision of nurseries and other means of caring for children.

Since then I understand the Minister of Labour has had this matter under consideration, but there is a great deal of concern being felt, and I think it would be exceedingly useful if at this time he gave a short statement indicating that the problem is being attended to and that a solution will soon be found. It seems to me, if I may offer the suggestion, that three measures should be undertaken in this connection. First there is the problem of the children below school age, who do not go to school because they are too young. For them day nurseries should be provided near their homes, to take children in groups of fifty or sixty. These might be conducted in unoccupied schools, churches or other buildings, and trained personnel would have to be provided to look after these children. Then there are the children of school age, and that problem is becoming particularly important now that the summer is coming on. In this connection I suggest that the recreational facilities of the schools be made available during the summer months, so that the children may not be turned loose on the streets. This would continue the advantages of school life during the summer, and that is why this matter has become urgent. Then there is the whole question of the utilization of married women in war industries, and in this connection I suggest that we might well follow the practice which has been adopted in Britain; that is, as far as humanly possible limiting the employment of married women in war industries to employment on the day shifts.

This matter has already received some attention in Ontario, where there was passed, I think at the last session of the legislature, a statute providing for cooperation. The matter has received attention in the province of Quebec, where Hon. Edgar Rochette, provincial minister of labour, had an exchange of correspondence with various trade unions and labour organizations. It has also received attention in the press. In view of the urgency of the question and the concern that is felt, I think it would be interesting to learn from the minister what is being done in this connection.

Mr. MITCHELL: My hon. friend and I have discusesd this matter before. Hon. members may rest assured that it is receiving the earnest consideration of the Department of Labour. As the hon. member has indicated, the question comes under the jurisdiction of the director of selective service. What we have in mind is setting up standards and, if necessary, making some contribution to the establishment of these important services, if women are to go into war industries on the scale that we anticipate may be required in the not too distant future. I think he will probably agree with me it will be far better

first of all to start off in the large metropolitan centres, where they have had some experience in this regard. I agree with him that in a measure it falls within the jurisdiction of the provincial government, municipal organizations and voluntary organizations which have taken a great interest in this important function in connection with our war effort. He can rest assured that the agency under the director of selective service has a deep appreciation of the necessity for protecting the children about whom he has spoken so eloquently this evening. I believe the committee may safely leave this matter with the Department of Labour, particularly to the selective service branch, and rest assured that every move will be made with expedition to see to it that these good people are protected.

Mr. HANSON (York-Sunbury): That, of course, is a reassuring statement.

Mr. MITCHELL: It is intended to be.

Mr. HANSON (York-Sunbury): Yes; it is intended to say, "We are going to do very well; leave us alone." What plan has been devised, if any, or are they just thinking about it? I was in a plant on Saturday which engages several thousand women working in three different shifts. Among them are a great many married women. Many of those married women work at night, and they travel long distances to get to their work. On that lovely June afternoon I just wondered to myself where their children were. More than that, as I watched them changing shifts I wondered to myself what was going to become of those people after the plant finished operation. That matter was discussed among ourselves. Those of us from the smaller provinces may not appreciate the full magnitude of the problem. A woman has to go out to work by the day, possibly, and somebody looks after her children. But here is a case where thousands are in these munitions plants, and there must be many hundreds of children who are not being looked after. It is not enough to say, "Oh, just leave it to us; we are thinking about it and talking about it." That is not quite good enough.

Having given this admonition to the minister, I shall ask the Minister of Finance a question which, I hope, will help us to get this measure through. If anyone examines the bill he will observe there is a new provision in it this year. I try to analyse these measures as they come along, in the light of past experience, and I now call attention to the fact that subsection 2, of section 3 is new. I believe I am correct in that.

Mr. ILSLEY: Yes.

[Mr. Mitchell.]

Mr. HANSON (York-Sunbury): This subsection has not been in earlier war appropriation bills. It provides:

> Any expenditure required to be made by the government of Canada under any contract for munitions of war and supplies entered into by the government of Canada for the purpose of enabling any company wholly owned by the government of Canada to fulfil its obligations in respect of orders received by such company from the government of any British or foreign country allied with his majesty may be paid out of any unappropriated moneys in the consolidated revenue fund.

I assume the procedure set up in connection with these wholly owned government companies, partly owned government companies or companies partly owned by this government and partly by the British government is that they have to be financed.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): There is no question about that. So far as I know they are doing good work. Some of the best brains in the country are operating them; I believe I may pay that tribute. They are operating them in some instances at a dollar a year. I know the head of one of these companies, and he is working like a galley slave for this government for a dollar a year, without even any expenses. I do not think any of his own companies are getting any government contracts, either. It would seem, therefore, that he is the perfect dollar-a-year man. I had not intended to eulogize him, and I shall not mention his name. But I should like to know what control parliament has over these moneys?

This has introduced a new principle. We vote money, but what responsibility is there to parliament? That may be a purely academic question, but this is public money which has been taxed or borrowed from the people of Canada, and I should like to know what reports we have from any of these companies. Does this information appear in the auditor general's report? Do we learn in that report how the money is spent?

I will not go over the whole gamut of the operation of these companies, but I would ask the minister whether or not a principle is at stake. This is public money—and I say this, always keeping in mind the hon. member for Témiscouata, because what I say may serve as a text for another speech from the hon. member. I hesitate very much providing him with that; perhaps he does not need it.

However, I have been thinking about this matter ever since the announcement respecting the establishment of these wholly owned

government corporations. Some huge corporations have been set up under this plan. Canadian Car Munitions Limited is a plant in connection with which $18,000,000 have been spent, and they are operating on what might be described as a fee basis. From what I can judge, I believe it is a well operated plant. I have great confidence in the management of it, and they are doing wonderful work for the country. But that is not the point I have in mind. What control has parliament over the operation of that kind of plant? I am sure the minister will say there is adequate treasury control, and I would be astonished if there were not. In fact, I take it for granted that the treasury are looking after the operation of that plant, and endeavouring to see that the government get adequate returns for the moneys expended, not only in connection with capital expenditures, which were made hurriedly and quickly, owing to pressure, but also in connection with the operation of the plant.

I suggest to the minister that a principle is involved which should be explained to the Canadian people. How are these companies to be made accountable to parliament? Are these to be ordinary government expenditures, or are we just to let the matter go? I do not know whether I have put the matter very well, because my ideas have not been well crystallized. I have made no inquiries; I suppose, had I called up some of the officers in the Department of Finance, they would have made an explanation. But I think this is the place where the explanation should be made.

Mr. MACDONALD (Brantford City): We would not have had the explanation if it had been sought privately.

Mr. HANSON (York-Sunbury): That is so. I suggest that it should be made here so that the public and the membership of this committee will understand the position. Here is a situation involving many millions of dollars not only in capital but also in operational costs.

Mr. ILSLEY: These crown companies are not comparable with the Canadian National Railways, for example, which has a separate set of auditors, and which is separate from the government. These companies are financed just as if they were government departments or branches.

Mr. HANSON (York-Sunbury): Therefore they are closer to the crown?

Mr. ILSLEY: Yes. The auditor general is the auditor, and the comptroller of the treasury keeps his officers in close touch with these companies at all times. I do not know just why they were incorporated. That would be a question which would have to be answered by the Minister of Munitions and Supply. However, no doubt there were reasons for their incorporation.

Mr. HANSON (York-Sunbury): I think one reason was connected with the buying of supplies. I have rubber in mind, particularly. I remember that at the time I thought incorporation was a proper procedure. If it got to be known that the crown was a bidder in a certain market the price would go up quickly. That was a perfectly proper business procedure, and on the whole I would say to the minister that it was considered by those advising the government that the question of service was uppermost in the minds of those who advocated this theory. I am not controverting the principle.

Mr. ILSLEY: Two or three companies were incorporated without any one knowing that they were owned by the crown, but just what companies they were I forget at the moment.

Mr. HANSON (York-Sunbury): That was in the beginning.

Mr. ILSLEY: There were excellent reasons from the public point of view why that was done, but there were other companies to which those considerations did not apply.

Mr. HANSON (York-Sunbury): Possibly it was to obviate the provisions of the Civil Service Act. I think that was a controlling factor why the companies were made autonomous and could hire and fire as they pleased. I think probably they were right, because they could not go through the whole civil service procedure of advertising positions and so on. This is no reflection upon the civil service. The fact is that this thing grew so large that they just could not cope with the conditions. I want to know about the responsibility to parliament for expenditures.

Mr. ILSLEY: There is exactly the same check as there is on any government expenditure. Advances to these crown companies are provided by the usual machinery. There is either an order in council or an allocation by the treasury board of so much money for the purpose stated to the company in question. My recollection is that some of the companies borrowed money from the banks on a government guarantee, but I believe those were retired although I am not just certain. Ordinarily that is not the way in which they are financed; it is done by government funds directly just as though they were a branch of some department of the government. I do

not know exactly the stage, but the comptroller of the treasury keeps very closely in touch with them, because frequently he speaks to me about some of the expenditures being made. They are also subject to audit by the auditor general.

Mr. HANSON (York-Sunbury): That is a post-audit.

Mr. ILSLEY: That is a post-audit, but the auditor general is responsible to parliament for watching the expenditure of public funds voted by parliament. He does not regard these companies as being outside his jurisdiction simply because they have been incorporated.

Mr. DOUGLAS (Weyburn): What is the total amount of money invested in these government-owned companies?

Mr. ILSLEY: I cannot say at the moment, but I could get that information.

Mr. HANSON (York-Sunbury): The reply of the minister is hardly satisfactory. He has a theory that such and such is the case, and I think by and large he is right, but he has not answered my question. When will the accounts of these wholly owned crown companies be laid before parliament in the form of a blue book or in some other form? I think the answer will be "never." So far we have had nothing about them. I call that to the minister's attention in the hope that he will give it consideration.

Mr. ILSLEY: I shall look into it and report later. It is an important matter.

Mr. FAIR: A few moments ago reference was made to providing for the children of mothers who might be working in industry. There are a number of parasites in Canada at the present time who could be put to work before homes are broken up. The war has already broken up sufficient homes without any more being broken up unnecessarily. If the Minister of National War Services (Mr. Thorson) wants to know one instance, I can give him one to which reference has been made on several occasions.

I have particular reference to a gambling den which is authorized and legalized by this government and by other governments in the past. I understand there are thousands of employees in this den who are paid at the expense, directly or indirectly, of the farmers of western Canada. These farmers are now asked to go without the cost of production of a number of their products. If anyone should make a mistake as to the organization to which I have reference, it is the Winnipeg grain exchange. On different occasions we have tried to have this exchange closed and have pointed out that the grain exchange in the old country was closed at the beginning of the war. Some of us are convinced that the government of the old country would be quite satisfied to have the exchange here closed if some of our friends in the government were willing. Apparently that is not the situation. Before any more homes are broken up, I would suggest that all the parasites in this gambling den in Winnipeg be put to work in some profitable manner. Let them get out and make an honest living for a change.

A short while ago the hon. member for Acadia (Mr. Quelch) asked the Minister of Finance about the payment of parity prices for farm products and outlined the method by which that could be done. Because there was some sense to the question the minister immediately wanted to close off the debate and get this bill through. Some of my hon. friends to my right have suggested on two or three occasions that the debate has gone on long enough and should be closed, but some of us who want to say a few words find that we cannot because they are still talking, in a number of instances, nonsense. The Minister of Finance said that it would increase the national debt, but I ask him if the national debt is not being increased in order to pay several manufacturers of war commodities far in excess of that to which they are entitled. I have no objection to their receiving the cost of production plus a reasonable profit, but I cannot see why they should be paid exorbitant profits when growers of food are asked to go without their cost of production.

Before sitting down—I may have quite a time having an opportunity to speak again because it took me a long time to get the floor on this occasion—I should like to say that I support the hon. member for Souris (Mr. Ross) in his remarks about labour. I believe something should be done, and done in a hurry, along that line. It has been suggested that farm help be trained, but I want to say that help cannot be trained in a week or two, or a month or two, to do the work that must be done on a farm to-day. Tractors, in some instances costing as much as $2,500, binders and other machines are used, and they might not be operated efficiently by someone who has lived in a city or town all his life. Some of them might act like the city man on the farm who was sent out one morning to put the harness on a horse. When the farmer went out later he found this man had put the harness on a milch cow. Because the cow happened to have horns, the so-called farmhand found it impossible to get the collar on. I think a lot of damage would be done, I admit not intentionally, by using untrained labour.

Mr. DOUGLAS (Weyburn): An important principle has been touched upon by the leader of the opposition. I do not want to delay the passage of this bill by asking a number of questions, but the minister has promised to bring down, at some time during the session, a statement as to government controls and parliamentary controls over these government-owned companies. I think we should also have a list of these companies—I believe there are eight of them—the total amount of money which the government has invested in each, and their directorates. That information ought to be available to hon. members.

Mr. ILSLEY: I shall see that it is supplied just as soon as possible.

Mr. POULIOT: Mr. Chairman, I am not going to follow the text that has been indicated to me by my hon. friend the leader of the opposition. At times he makes a good speech. He makes a good speech when he accompanies it with a broad smile. Then he is himself. To-night he spoke very well, and so did my hon. friend the member for Weyburn and the Minister of Finance.

It is easy to come to an understanding; but what the government must not forget is this, that centralization does not come from the ministers but comes from underneath. It comes from those in the civil service—call them civil servants or officials, it is of no importance—who are greedy for power. It is in virtue of this principle of centralization that men are paid, not according to their worth, but according to the size of their staff. The more staff they have, the more important they are; the more power they have, and the bigger the salary they get. That is the reason why we have centralization in Ottawa. It is just because of the greed of high officials who want to become more and more powerful, at the expense of old-established traditions and rights, at the expense of the constitution, and perhaps at the expense of unity in Canada.

Some hon. MEMBERS: Carried.

Mr. POULIOT: No; it is not carried, and the more "carried" is said, the less likely the section is to carry. I am not here to cause obstruction. I am here to express my views and deep convictions. We have heard a great deal about unity in this country, and the conclusion of what was said was that the province of Quebec was a reserve and that the people of that province were entirely different from the people of the rest of Canada. We have had sermons on unity which gave the impression that we are asking the majority in this country to be lenient and kind toward the minority of the province of Quebec. That is not the way for us to deal together as free citizens in this great land. No, sir. We both, English-speaking and French-speaking, have our qualities and our defects, but we must come together just as we are to try to solve our problems. How can that be done? It can be done if we have the truth about the French-Canadian war effort. We do not have it. I wrote to the minister on January 14, asking his help in securing some information about French Canadians who had enlisted in English-speaking Canadian units. I had received no answer by March. Then I put the letter on *Hansard*. Still I had no answer. I sent a copy of *Hansard* to the hon. gentleman concerned, accompanied by another letter. Still no answer. Afterwards I met his secretary, who showed me a letter that had been signed three weeks before by the minister, and that letter was not handed to me because it was not permitted by the Department of National Defence and other departments. Then I wrote another letter. The secretary of the minister telephoned me that the minister had put a note on my letter saying that according to him I was perfectly right in asking for that information. But I have not yet received an acknowledgment of my first letter. Is that reasonable?

What I want are the complete figures about the French-Canadian war effort. When we have them we shall be able to discuss the matter with anyone. If we are wrong, so much the worse for us; if we are right, so much the better for us. We shall not be afraid to tell the truth, and we shall not be influenced by any propaganda published by those who have a personal interest in slandering the province of Quebec.

I want to defend my own people because they are worthy of being defended. I have the utmost respect for the farmers, the sailors, the airmen and the soldiers and all the citizens of my province, who are equal to anybody in this country. We must not be considered a reserve in the province of Quebec. That is most insulting. We want to be treated exactly as others are treated. We do not want any unfairness or injustice. We want to be treated fairly and squarely.

Some people speak on our behalf. They have no right to do it because when they speak they do not think of the common people, and they do not interpret the views of the common people. They express views that are not ours, and it is for their own selfish purposes that they do that.

In this war effort the people of the province of Quebec cannot be ignored. There

must be a complete knowledge of what has happened in the past so that we can be fair in judging the present and the future. Let us have the figures. How is it that we cannot get them? How is it that they are not accessible to all members of parliament and to all citizens of this dominion? That information would mean more for national unity than any eloquent speeches uttered by gifted speakers in this country, or speeches delivered by some one but written by others. It is time that we speak face to face, say what we have to say, and not be afraid of any kind of propaganda. The most disastrous propaganda was that used in the last plebiscite campaign in which all those who were not seeing eye-to-eye with the government were branded as traitors. Even in this chamber there were members who were making the worst insinuations against their colleagues who did not see eye-to-eye with their views, however absurd they were.

I hope, sir, that in the future, the errors of the past will not be repeated; that a broad outlook will be taken, and that all Canadians, whether English-speaking or French-speaking, will understand that this is our common country; that we are all in the same boat and that we have an interest in coming closer together for a common purpose. Let us not make anyone out worse than he is. Let not any French Canadian think the English-speaking Canadian is otherwise than he is, and let not the reverse occur either. There are no angels in this country. There are guardian angels over every citizen, but they are invisible. Those we see are not angels, although they may be very good citizens.

Is it not possible, sir, to come back to the love and defence and protection of our land? I have been advocating it. If this argument is not accepted, let us try another one with those who are not Canadians at heart, with those who are imperialists. Let us say to them: "We want immediately the roads that are necessary for the war effort. If you will not build them for the defence of this country, build them at least for the transportation of supplies to Great Britain and our friendly allies overseas." If the defence of our country is not enough in the eyes of those who do not consider Canada worth defending, let us use the other argument and ask that roads be built for the transportation of supplies to Great Britain and our friendly allies. Let us also have mobile units for the defence of this country, not only trains but trucks for the transportation of our soldiers. We should have

[Mr. Pouliot.]

automobiles, tanks and all the mobile equipment that is required for an army in a country the size of ours. These things should be provided.

Besides that, let us have in each branch of the Department of National Defence the direction in the hands of Canadians, not outsiders. We should have Canadians to decide the policy of this government. We should not be in the hands of outsiders. The reason why our defence is neglected is that everything is suggested by outsiders and is done on their advice. We want Canadians at heart, whether born in this country or not, but people who are to live in this country after the war is over, and who are not to go away like migratory birds.

Section agreed to.

Section 3 agreed to.

On Section 4—loans authorized.

Mr. QUELCH: This is the section under which we would naturally discuss the question of the financial policy of the government; but, in view of the fact that it is desired that we get through with this bill as rapidly as possible, I will defer the discussion to a later time.

The minister on several occasions has pointed out that the government's policy of taxation and of issuing bonds is to restrict the spending power of the public. We have asked why he does not make use of the services of the Bank of Canada, but he has never given a satisfactory answer to that question. At a later stage I shall be prepared to discuss the matter at some length and ask the minister to give a satisfactory explanation of why we are not using the Bank of Canada instead of the chartered banks. Since the declaration of war, we have borrowed directly or indirectly from the chartered banks close to one thousand million dollars—to be exact, I believe $950 million. We consider that when it is necessary to expand the amount of money in circulation, that should be done through the Bank of Canada and not through private moneyed institutions.

Mr. ILSLEY: I have already given the reason. I will give it again, though.

Section agreed to.

Sections 5 and 6 agreed to.

Preamble agreed to.

Bill reported, read the third time and passed.

LOAN OF $750,000,000

TO MEET LOANS OR OBLIGATIONS, TO PURCHASE UNMATURED SECURITIES, AND FOR PUBLIC WORKS AND GENERAL PURPOSES

Hon. J. L. ILSLEY (Minister of Finance) moved that the house go into committee on Bill No. 96, to authorize the raising, by way of loan, of certain sums of money for the public service.

Motion agreed to and the house went into committee, Mr. McCann in the chair.

Section 1 agreed to.

On section 2—loan authorized.

Mr. ILSLEY: The leader of the opposition asked me yesterday to place on record a statement showing the borrowings in New York and the times when such borrowings took place. He asked me to prepare and put on record a statement of the borrowings by the dominion government and also those of the Canadian National Railways. I have a statement relating to the dominion government, and with the permission of the committee I will have it printed in the proceedings at this stage. This is the statement:

Particulars of the Issue of Dominion of Canada Bonds Outstanding which are Payable in New York Funds

1. Thirty-year 5 per cent bonds dated May 1, 1922, due May 1, 1952—$100,000,000.

This issue was sold in 1922 to provide cash for various general purposes of the government.

2. Thirty-year 4 per cent bonds dated October 1, 1930, due October 1, 1960—$100,000,000.

One hundred million dollars issued for cash in October, 1930, of which $25,000,000 was used for the redemption on April 1, 1931, of 5 per cent bonds dated April 1, 1916. This latter issue was part of a $75,000,000 loan issued for the refunding of maturing loans and general purposes.

3. Ten-year 2½ per cent bonds dated August 15, 1935, due August 15, 1945—$76,000,000.

The proceeds of this issue were used for the following purposes:

(a) Redemption of $50,000,000 Dominion of Canada 2 per cent promissory notes dated September 1, 1934 and due September 1, 1935, which, in turn had been issued to redeem $50,000,000 of a $60,000,000 issue of fifteen months' notes on September 1, 1934. This latter issue had been sold on July 1, 1933, for the refunding of an issue of $60,000,000 dated October 1, 1932. The issue of $60,000,000 notes dated October 1, 1932, had been sold to provide cash to redeem in part $40,000,000 two-year 4 per cent notes dated December 1, 1930, and $13,000,000 treasury notes dated September 19, 1932, and maturing December 17, 1932. This latter issue was the balance outstanding of an issue sold in September, 1931, in the amount of $19,000,000 for the general requirements of the government and the Canadian National Railways. The $40,000,000 two-year 4 per cent notes referred to in this paragraph were the renewal of a note issue sold in 1927 to obtain funds to pay off part of the 1917-27 victory loan.

(b) Redemption of $26,000,000 Canadian National Railway Company 4½ per cent dominion guaranteed bonds due September 15, 1954, called for redemption on September 15, 1935. This issue had been sold in 1924 for various railway requirements.

4. Twenty-five year 3¼ per cent bonds dated January 15, 1936, due January 15, 1961—$48,000,000.

The proceeds of this issue were used for the following purposes:

(a) Redemption of $40,000,000 4½ per cent bonds dated February 1, 1926, due February 1, 1936. This issue in turn refunded part of $70,000,000 4 per cent one-year notes dated September 1, 1926, which, in turn, had refunded one-year notes dated September 15, 1925. This latter issue had been issued to refund in part an issue of treasury notes dated September 15, 1924, which had been issued to provide cash to refund in part treasury bills and the 1919-24 victory loan.

(b) Redemption of $2,737,986.67 2 per cent treasury bills due January 30, 1936, which had been issued to provide moneys to assist the Canadian National Railways in retiring certain maturing obligations.

(c) Redemption of $5,418,000 2 per cent Canadian National Railway Company dominion guaranteed bond due January 30, 1936, which had been issued to redeem part of Canadian Northern Railway Company dominion guaranteed bonds dated February 1, 1925, due February 1, 1935.

5. Seven-year 2¼ per cent bonds dated January 15, 1937, due January 15, 1944—$30,000,000; Thirty-year 3 per cent bonds dated January 15, 1937, due January 15, 1967—$55,000,000.

The proceeds of this issue were used in part to redeem at maturity $89,787,000 5 per cent war loan bonds dated March 1, 1917, due March 1, 1937, payable in Canadian and United States dollars.

6. Thirty-year 3 per cent bonds dated November 15, 1938, due November 15, 1968—$40,000,000.

The proceeds of this issue were used to redeem $40,000,000 three-year 2 per cent notes dated January 1, 1936, and due January 1, 1939. This latter issue had refunded two short-term note issues of $20,000,000 each which had been issued to provide in part cash to redeem at the call date, October 1, 1935, Grand Trunk Railway Company of Canada 7 per cent debentures dated October 1, 1920, and to redeem at the call date, December 1, 1935, Canadian Northern Railway Company 7 per cent debentures dated December 1, 1920.

7. Two-year 2¼ per cent notes dated May 1, 1941, due May 1, 1943—$10,000,000.

The proceeds of this issue were used in part to redeem part of $20,000,000 twenty-seven months' notes dated February 1, 1939, due May 1, 1941. This latter issue was sold to provide New York funds for general purposes of the government including loans to the Canadian

National Railways for the purposes of redeeming Canadian National Railway obligations payable in London and obligations payable optionally in New York, London and Canada.

N.B.—It will be noted that of the $459,000,000 outstanding at the present time, $306,000,000 represents loans or renewal of loans issued in the period 1922-1930. It should also be noted that $200,000,000 represents loans issued to refund obligations first issued during the last great war.

The Canadian National Railways' statement is not ready. It is a difficult one to make up and has to be made by the Canadian National Railways themselves. With the permission of the committee I will put that on record when the annual Canadian National Railways' financing bill is before the house. I have not the information at the moment. That would be the more appropriate place for it, anyway.

Mr. HANSON (York-Sunbury): I have had some communication with the minister's office to-day, and I understand the position. I would like him to make it clear just what the amount of our direct borrowings were.

Mr. ILSLEY: There is $459,000,000 outstanding now.

Mr. HANSON (York-Sunbury): But the borrowings between 1922 and 1930 were something over $300,000,000, were they not?

Mr. ILSLEY: Three hundred and six million dollars represents loans or renewals of loans issued in the period 1922-1930. It should also be noted that $200,000,000 represents loans issued to refund obligations first issued during the last great war.

Mr. HANSON (York-Sunbury): That will be satisfactory.

Section agreed to.

On section 3—Charge upon consolidated revenue fund.

Mr. DOUGLAS (Weyburn): Do I understand that this bill is for the redeeming of maturing securities? Would the minister give the committee a statement showing what interest these outstanding securities are carrying and what the new interest rate will be? Does the list which the minister has just tabled outline the interest rates that they bear?

Mr. ILSLEY: Yes. The statement I have just made relates only to securities payable in United States funds—payable in New York.

Mr. CHURCH: What is the meaning of the last seven words in section 2, "and for public works and general purposes?" Is public works under the estimate? How much is under war and how much under general purposes?

Mr. ILSLEY: This phrase has been contained in all the loan acts since 1930, and it is carried in here more for the purposes of uniformity than anything else. I cannot say what, if any, public works will be constructed under this bill, but at any rate they have to be subsequently and separately authorized. This bill is merely a borrowing bill; it does not authorize expenditure upon any particular public work.

Mr. CHURCH: Is this to pay for postmortem public works?

Mr. ILSLEY: Pardon?

Mr. CHURCH: Is part of it to pay for postmortem public works and money that has been spent for general purposes?

Mr. ILSLEY: No.

Section agreed to.

On section 4—Loans authorized.

Mr. HANSON (York-Sunbury): Has this been in the bills heretofore?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): What is the purpose of it? I must have asked an explanation before, but I do not recall what it was.

Mr. ILSLEY: All I can say is that my information is that this is just a copy of former bills.

Mr. HANSON (York-Sunbury): But what is its purpose? What use may be made of it? I realize that securities will have to be issued for refunding purposes. It may be that certain orders in council or other orders and regulations may be passed to give effect to the true intent and meaning of the bill.

Mr. ILSLEY: I can imagine regulations or orders in council that might be issued—

Mr. MICHAUD: Regarding denominations.

Mr. ILSLEY: Yes, and regarding the issue and sale or pledge of securities of Canada and the paying or redeeming in whole or part of loans or obligations of Canada.

Mr. HANSON (York-Sunbury): Governing methods.

Mr. JACKMAN: That would come under section 2.

Mr. HANSON (York-Sunbury): Section 2 gives the government wide-open powers to do anything. There must be some reason for section 4. I think we ought to know as a matter of record.

Mr. ILSLEY: Strictly speaking, any order in council passed under section 2 would be limited in scope to the authorities and powers contained in that section.

Mr. HANSON (York-Sunbury): They are very wide.

Mr. ILSLEY: But it might be necessary to state the procedure which would be followed in the United States or Great Britain or Canada for the purchasing of unmatured obligations for example, that they should be deposited in a certain place and all that kind of thing.

Mr. HANSON (York-Sunbury): I do not wish to delay the committee, but I make this suggestion: Would the minister ask his officers to draw up a memorandum, and in some proper place the minister could put it on the record.

Mr. ILSLEY: I shall be glad to do that.

Mr. SLAGHT: May I offer this suggestion. Section 2 deals with raising an amount by way of loans and with the sale or pledge of securities and so on. It deals only with that. But those moneys are to be used for paying or redeeming the whole or any portion of loans or obligations outstanding. Under section 4 you might have occasion in redeeming a loan to make a preliminary contract with some corporation or persons with respect to the terms under which you redeem. Under section 2 you would not have authority to do that; you have only borrowing authority. Therefore section 4 gives complete authority to ratify a redemption contract. It seems to me that section 4 is necessary.

Mr. POULIOT: I would remind the committee that last spring I asked the Minister of Finance if he thought that Sir Edward Peacock would come to Canada, and he said no. Since then I have been asking a question as to the coming of Sir Edward Peacock to Montreal on June 25 when Sir Arthur Salter was also at the Ritz-Carlton, and I asked if any minister had met him. I know the Minister of Finance was not in town; he was in his own beautiful province at the moment, but Sir Edward Peacock was met by the Minister of Munitions and Supply and also by the Minister of National Defence in the capacity of Acting Minister of Finance. I thought the work of Minister of National Defence was a full-time job, especially in view of the fact that the minister is seldom in his place here. I thought he was always very busy with his staff discussing the problems of his department. So I was greatly surprised when I learned that he was Acting Minister of Finance and acting so precisely when Sir Edward Peacock and Sir Arthur Salter came to Montreal. Sir Edward Peacock is a director of the bank of Montreal and the Canadian Pacific Railway company and is the gentleman supposed to come to America to sell the stock of the Canadian Pacific. Whether or not he was successful in the United States I do not know, but I know he was successful with the Bank of Canada. If he did not sell the Canadian Pacific stock to the Bank of Canada, it is held there under guarantee awaiting the action of the government, probably awaiting the enactment of this bill, and we shall have amalgamation of railways under that.

The committee and the house know that I have always been opposed to amalgamation of the railways, opposed from the point of view of the public and also from the point of view of the employees of the railways. It has been the traditional policy of the Liberal party to oppose the amalgamation of the railways and to condemn the Tories just on account of their railway policy during the last war. If we are to have amalgamation by this government, what difference would there be between the Liberal party and the Conservative party?

Mr. MacNICOL: The Conservative party would be better.

Mr. POULIOT: I do not know, but I am greatly disappointed. It is impossible to get anything definite in that regard. When I told the minister that my expectation was that Sir Edward Peacock would come to Canada, he replied, "I do not believe so; it is not my expectation that he will come." But two months afterwards he came just the same, and then it was the Minister of National Defence who met him. Did he meet him with Mr. Magee, president of Barclays Bank? I do not know. But in my humble view—

Mr. SLAGHT: Order.

Mr. POULIOT: I will ask my hon. friend to keep his voice for his own speeches.

Mr. SLAGHT: I rise to a point of order. This bill deals only with the purchase of obligations of the Dominion of Canada. It has nothing to do with Canadian Pacific railway stock, and the hon. gentleman, interesting as he always is, is quite out of order.

Mr. POULIOT: Mr. Chairman, you know very well that what my hon. friend has said is undoubtedly very clever; but at the present time we have a bill like this, which might be changed at any time by order in council under the War Measures Act, and what are at present securities of Canada no one knows. It may be securities or stock of the Canadian Pacific that has been held and guaranteed by the Bank of Canada and paid afterwards by the Dominion of Canada. I will not insist any more at this time; I shall have other opportunities to bring up the matter, but I warn the committee again against any scheme for the amalgamation of the railways. It would be a great mistake for this government and a very bad thing for the country, and I will oppose it on every occasion I have an opportunity to do so.

Section agreed to.

Preamble agreed to.

Bill reported, read the third time and passed.

SUPPLY

Hon. T. A. CRERAR (Minister of Mines and Resources) moved that the house go into committee of supply.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, during the last few days, and especially yesterday and to-day, I have endeavoured in every way to facilitate two very important government measures. We have now passed the $2,000,000,000 war appropriation bill and the $750,000,000 loan bill; we have given them third reading immediately, without any delay. I suggest that there is a limit to what we can stand in a day, and the government should call it eleven o'clock. As far as I am concerned, I cannot work all the time. If the government want to go on, well and good, but I am suggesting that we have made splendid progress to-day and that we ought to rise. That is my suggestion to the government, and I hope they will accept it.

Mr. T. C. DOUGLAS (Weyburn): As far as we are concerned we would like to go on and take up the agriculture estimates. Some of us have been waiting quite a while for them, and we have hurried through the other business in order that we might get on to the amendment to the National Resources Mobilization Act to-morrow. We should like to continue, unless the leader of the opposition is insistent.

Mr. HANSON (York-Sunbury): No, I am not insistent; it was just a suggestion. If you are going into the agriculture estimates, go ahead.

[Mr. Slaght.]

Mr. CRERAR: Well, Mr. Chairman, we certainly appreciate the progress we have made to-day, in having both these bills receive third reading, and I want to thank the leader of the opposition and other hon. members for their cooperation in helping us reach that very much desired goal. But there is still a great deal of work to be done, and we should like to have the estimates of the Department of Agriculture considered until eleven o'clock. If there are any items that are contentious they can stand, because notice was not given last night of our intention to take up this business. I think we might make some progress. We would like to call an item in fisheries and one in trade and commerce, if that is agreeable.

Mr. HANSON (York-Sunbury): It does not make any difference to us which department you take up. Go ahead with agriculture.

Motion agreed to and the house went into committee, Mr. McCann in the chair.

DEPARTMENT OF FISHERIES

71. Departmental administration, $132,340.

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

Mr. CRERAR: We have only four departments in so far. We want to call an item in fisheries, and have it stand, and then an item in trade and commerce and have that stand. Then we will proceed with agriculture.

Item stands.

DEPARTMENT OF TRADE AND COMMERCE

341. Departmental administration, $140,900.

Item stands.

DEPARTMENT OF AGRICULTURE

1. Departmental administration, $125,558.

Mr. PERLEY: Would the minister make a general statement on this item? Is that the way in which he intends to proceed? It would be interesting to have a general statement now, if he proposes to make one.

Hon. J. G. GARDINER (Minister of Agriculture): I have no objection to making a general statement, but within the last week I made one which I think covered practically everything in the estimates.

Mr. HANSON (York-Sunbury): That was a political statement.

Mr. GARDINER: Well, I imagine any statement I might make now would be called

a political speech too. I have no objection to dealing with any of the estimates or answering any questions with regard to them, but I think I would be only wasting the time of the committee if I made another speech on agriculture at this stage.

Mr. NICHOLSON: When the minister was before the committee some time ago some question was raised with regard to the policy followed in connection with the payment of inspectors who have been working under the Prairie Farm Assistance Act. I had some correspondence last year in connection with the amounts paid some of the inspectors in my constituency. It appeared to me that the accounts they submitted for expenses were quite out of line with what would be paid by men representing commercial firms, doing similar work and staying at hotels in that constituency where it would be impossible to engage a room costing more than $1.50 a day. Would the minister explain the policy which is followed and tell us what check there is in order to ascertain whether or not these accounts are being padded, whether the inspectors are required to send in itemized statements, and so on?

Mr. GARDINER: That really comes under item *30,* and we are dealing with item *1.* I would rather deal with that when we reach the proper item.

Mr. ROSS (Souris): I tried to get a question on the order paper yesterday, and perhaps the minister could answer it now. It was based on an article which appeared in the Winnipeg *Tribune* of Thursday, June 4, and had to do with the matter of filing preliminary applications for the acreage reduction bonus. Yesterday I received a copy of a letter addressed to the superintendent, wheat reduction plan, province of Manitoba, Union Trust building, Winnipeg, under date of June 5. That letter said, in part:

> Following our interview of yesterday, when you informed me that I was not eligible for a 1942 wheat reduction bonus because the date on my application would read June 4th instead of May 31st or earlier, I decided to write you and present you with evidence that farmers are not entirely to blame for the confusion that exists. . . .

Then follow three or four pages of this evidence, in which is pointed out the waste of gasoline and tires that would be entailed in driving to the office to file these applications. I should like to point out also that the press throughout the prairie provinces, during the months of April and May, carried information to the effect that where there was no change in acreage from 1941, it would not be necessary to file a preliminary application. According to the article in the *Tribune* and according to this letter, that policy must have been altered within the last few days, and there is great confusion among the farmers of my province, who are holding district meetings this week at which they are agitating about the matter. I suggest that the minister make a statement to clarify the situation, as to whether the policy has been changed or not, and say whether an operator who has not filed an application by May 31 is now barred from coming under the bonus.

Mr. GARDINER: That has to do with item *31.* There is no general ruling this year that a man must have his application in by May 31. However, the office did ask them to put in a return if there were any change in acreage, and also encouraged others to put in returns, even if there were no change in acreage. It is not compulsory under the regulations to do that this year, with the exception of those who did not put in applications last year.

Mr ROSS (Souris): Those people would not be barred.

Mr. GARDINER: No.

Mr. ROSS (Souris): Then, on March 23 I had a question on the order paper resulting from an article which appeared in the Ottawa *Journal* of March 21, stating that the armed Canadian forces were to use horses for transport. I took the matter up with the Minister of National Defence, and his secretary informed me at that time that they were making inquiries of the Department of Agriculture to see how many horses might be used for army transport purposes without seriously affecting agriculture. It was pointed out that they desired to use horses to some extent, if they were available.

My idea at that time was that it would not handicap agriculture, because I believe people are using tractors as much as possible, and I thought this would be a market in which surplus horses could be disposed of. While travelling on the train one of the controllers—I believe it was the coal controller, or someone connected with him—told me that the T. Eaton company in Winnipeg were changing their deliveries from trucks to horses, and that they were not allowed to obtain a permit to purchase horses. I thought that was rather far-fetched; but if there is anything to it, I should like to have the matter clarified by the minister.

Mr. GARDINER: I do not know of any regulation requiring anyone to have a permit to buy horses, or to substitute horses for other equipment. However, inquiries have

been made by the Department of National Defence with regard to the use of horses in substitution for some other equipment. Nothing final has yet been done. The matter is still in the exploratory stage.

Mr. ROSS (Souris): There would be quite a number of horses available without seriously affecting agricultural production.

Mr. GARDINER: Yes, in many sections of Canada.

Item agreed to.

2. Publicity and extension division, $108,715.

Mr. PERLEY: Would the minister explain the change?

Mr GARDINER: The details are found at page 53 of the estimates, and at the top of page 54. It will be found that total salaries and wages stand at $76,490, as against $75,650 in the previous year. Cost of living bonus stands at $5,755; express, freight and cartage is decreased by $800; printing and stationery shows a decrease of $3,200; supplies and materials show a decrease of $2,500; telephones, telegrams and postage show an increase of $1,800, and travelling expenses have been reduced by $1,200. When these figures are balanced they show a decrease from $109,650 to $108,715.

Mr. PERLEY: How many shared in the cost of living bonus?

Mr. GARDINER: There are thirty-five listed among those receiving salaries. I should imagine most of them would receive the cost of living bonus.

Mr. SENN: I understand publicity is carried on by the department in a number of ways. One is by the sending out of publications through mailing lists; another is through the press, where articles are sent to the press from time to time. Then there are exhibits at fairs. Is there any connection between the data accumulated by the Department of Agriculture and that accumulated by the bureau of statistics? Sometimes it is thought that the figures are not altogether reliable, and I should like to know whether there is any connection between the two branches, whether they collaborate in the gathering of data, and, if so, to what extent.

Then, what amount is spent on each class of publicity—that is, on exhibits at fairs, publications of articles in newspapers, and the like? How are mailing lists made up? Are they changed from year to year, or do they go on from one year to another? How are the newspapers, in which these articles are published. chosen? Are they chosen all across the dominion, regardless of size, circulation or political leanings?

Mr. GARDINER: The first question has to do with the manner of gathering statistics. The bureau of statistics, which is connected with the Department of Trade and Commerce, does consult with officials of the Department of Agriculture in the gathering of material. They have a service, and we have a service which checks on the different markets. Sometimes there is a variation in the figures obtained.

Mr. SENN: Quite a serious one.

Mr. GARDINER: The figures put out by the bureau of statistics are sometimes based upon estimates gathered by certain methods, and by comparisons with conditions existing previously. Some of our statistics are gathered directly from the markets, through our inspectors on those markets. A correction takes place as between the two branches. But it is just possible that between the time statistics are gathered and the time the correction is made, some figures available to officers in the Department of Agriculture may differ from those given out by the bureau of statistics.

Mr. SENN: That holds good not only with respect to markets but also with respect to the number of cattle and hogs throughout the country.

Mr. GARDINER: Yes; it might apply to any of those things. But usually before anything is given out to the country, the figures are corrected as between the two departments, and conform as nearly as possible.

Mr. SENN: How are mailing lists made up, and how are the newspapers, in which these articles are published chosen?

Mr. GARDINER: Certain articles appear only in farm papers. My understanding is that those articles appear in all farm papers across Canada. There are other articles which appear only in local papers, and the method followed there is, I believe, to get in touch with the secretary of the association, and to deal with all papers of certain classifications across the country.

No attention is paid to political leanings or anything of that kind. As was mentioned a moment ago, papers of a certain classification are taken right across Canada. I presume that is based largely upon the subscription lists of the papers or the community that they serve. For other articles we use the daily press. It all depends upon the importance of the article and the necessity of getting it out in a short space of time. Articles that have

to do with something that we want done within a week or two weeks would be of no value if published in a monthly agricultural paper, or possibly in a bi-weekly publication. In that case we would have to use the daily press in order to get the articles out to the public in time. Of course we supplement the publicity in the press with publicity over the radio and with information in pamphlet and other forms.

Mr. DOUGLAS (Weyburn): Does the department deal directly with the newspapers, or does it work through an advertising agency?

Mr. GARDINER: There is a press sheet made available weekly without any intermediary, but the advertising is done largely through the Canadian advertising agency with headquarters in Montreal.

Mr. SENN: Nothing is paid for the printing of those press sheets?

Mr. GARDINER: That is correct.

Mr. SENN: Exhibits are quite often put on at fall fairs, and I should like to know if it is intended to carry out this practice during this coming year. How are the fairs chosen? I have noticed bacon exhibits and other types of exhibits which are quite instructive. Are these fairs chosen on the basis of attendance, because they are class A or class B fairs, or is the selection made indiscriminately?

Mr. GARDINER: As hon. members know, during the last two years we have eliminated grants to fairs, and we have also limited our activities in connection with exhibits because of the cut made in the estimates. We follow the practice generally of having an exhibit in one zone in one year and then switching the exhibit in the following season. That makes it possible to have an exhibit shown generally throughout the country over a period of years. There will be some exhibits at class A fairs and there will be other exhibits at class B fairs; in each case, some of these fairs have ceased to operate during the war period. Generally speaking, we are carrying on the same activities as were carried on prior to the war, but at a lesser cost and in lesser volume.

Mr. SENN: I am interested in a fair which is neither class A nor class B, although it has a fairly good attendance. I have never understood how a board of directors or a secretary of a fair should go about getting an exhibit of this kind. I have been at fairs where these exhibits were shown, and they attracted a lot of attention. I think they are a good thing, and I should like to know how to go about making an application, particularly if a certain attendance is necessary before such application is considered.

Mr. GARDINER: It is not the practice to show exhibits at the smaller fairs, but that is done on occasion. Any fair board is at liberty to make application to the department for an exhibit, which application will be considered. It sometimes happens that an exhibit is being shown at a larger fair, and the necessary equipment can be moved to a smaller fair and the exhibit shown in about the same period of time. There are many details that enter into the matter.

Mr. PERLEY: What amounts are paid to the weekly, daily and monthly press?

Mr. GARDINER: Nothing is paid for the articles that go out from the department, but we do pay for advertising. A certain sum is paid to the advertising agency for the publication of advertising matter in a certain classification of publication. The agency makes the arrangements with the different papers.

Mr. PERLEY: What sort of advertising?

Mr. GARDINER: It is largely war projects. We may want more hogs, and we advertise accordingly. We may want certain things done in connection with apples, or we may try to boost the sale of apples. In that case advertising is issued right across the country. It is advertising to increase the sale of farm products or the production of farm products.

Mr. PERLEY: What amount was paid by the agency to the weekly press in the provinces?

Mr. GARDINER: The amounts of which I have been speaking really come under the war appropriation vote which was discussed last week. I refer to the advertising of pork products and other things of that kind. I have not the information with me as to what was paid to the different papers.

Mr. ROSS (Souris): Was that amount paid direct to the weekly newspaper association, which would divide it?

Mr. GARDINER: We indicate to the agency what we want done; a price is set, and the agency makes the distribution of the amounts.

Mr. PERLEY: What amounts were paid by the agency to the weekly and daily press?

Mr. GARDINER: I will bring the war estimates with me the next time I am before the committee and answer that question for the hon. member. I have only the general estimates before me.

Mr. PERLEY: This is an estimate of the department; it is not a war appropriation.

Mr. GARDINER: The money spent under this vote is largely to prepare the material that goes out to the press, for which we do not pay. Since the war we have cut advertising out of this vote, and it is now done under the war requirement.

Mr. COLDWELL: Is all the advertising under this vote done in Canada, or is any done in Great Britain?

Mr. GARDINER: There is no advertising under this vote. This covers publicity in the form of pamphlets and so forth, material for which we do not pay. We send it out to the newspapers, and it may or may not be published, although most of it is.

Mr. MARSHALL: What portion of the $109,650 voted last year has been expended?

Mr. GARDINER: There is no balance; it has all been spent.

Mr. PERLEY: How many publications are issued? Does the whole cost of printing, paper, and so forth come out of this vote?

Mr. GARDINER: The full cost does not come out of this vote. The cost of the staff that prepares the material comes out of this vote, but further down there is an item covering the printing and stationery.

Mr. SENN: I have often thought that the material which is being sent out by the department does not get enough publicity. By that I mean that a number of excellent pamphlets are issued by the department from time to time and kept in stock showing how different crops and different plants should be cultivated, soya beans, for example, and sometimes I think the public know little or nothing about these pamphlets being available. From the pamphlets the people would be able to learn how to produce these things, but do they know they are available? Is anything being done to acquaint the public with the fact that this great number of publications is available and that by asking for them the public can get them and study them with a view to producing to better advantage than perhaps they are doing at the present time?

Mr. GARDINER: All of the publications that go out from the department are reviewed in the press at the time they are published, and also reviewed over the radio. Then we have a long mailing list to which we send these publications. We try in every way to get the knowledge over to the public that the publications are in existence and can be had by people asking for them. A few of them have to be purchased. We do everything possible to make the public acquainted with the fact that the publications are available.

[Mr. Perley.]

Mr. DOUGLAS (Weyburn): I think the hon. member for Haldimand has raised a very good point. The department prepares a great deal of free literature about which the people know little. I know that one year I secured a large quantity of different pamphlets on various subjects, poultry raising, hog feeding and so forth, and sent them out to rural schools in my constituency. The teachers put them on a desk where the children had access to them, and I was surprised how many people wrote in asking where they could secure copies. They had not known they were available. Many people do not get the newspapers, and those who do might not see the review. I do not know whether it would be possible to make these publications available to rural schools. That might be too large a territory to cover, but certainly the agricultural clubs should receive them and perhaps school teachers might be circularized and told that this material was available, and that if they had an agricultural club in their community the department would send them the literature. I know that people who have received this literature were grateful to get it, and we ought to make it known that these publications are available.

Mr. GARDINER: The pamphlets are not sent out in bulk, not even to members of parliament, unless they make application that they require a large quantity for some special purpose, but the figures before me indicate that a very large number of publications do go out. These figures cover 1940-41:

Statistics covering 1940-41—

86,422	personal requests received for publications.
468,380	publications mailed on personal request.
593,720	publications mailed in bulk.
1,420,482	copies of market reports mailed on request.
499,285	copies of press notices.
86,108	clip sheets.
521,170	farm notes.
11,209,015	copies of miscellaneous articles.
8,084	stencils cut for mimeographing.
8,345,326	copies printed from mimeograph stencils.
1,118	jobs on multigraph and offset.
3,085,695	copies printed on multigraph and offset.
2,003,270	pieces of mail addressed.

Mr. COLDWELL: Some years ago I think the schools used to receive in the early fall a leaflet giving a list of the publications that could be applied for. I am thinking of twenty years ago. Has that practice been discontinued? I know I used to pick out a number of pamphlets from the list and send in for them. I can see the list in my mind's eye now. I do not know whether the list went out to all the schools, but I got one for several years.

Mr. GARDINER: There is such a list available to people who apply for it. I do not think it is customary to send it to all the schools, but it would be sent to a school if the teacher asked for it.

Mr. COLDWELL: Perhaps I wrote in for the list in the beginning, and my name was continued on the mailing list.

Mr. GARDINER: Yes. People send in for the list and then select what pamphlets they wish.

Mr. GRAYDON: Is the publication known as the "Agricultural Situation Outlook" still published?

Mr. GARDINER: It is not published in the form in which it was issued originally, but a monthly review is published.

Mr. GRAYDON: In the early part of this session I made inquiries of the department with regard to this pamphlet which was issued for a number of years in peace time. I find among the farmers I represent quite a demand for the "Agricultural Situation Outlook". It was an informative publication covering several branches of agriculture and contained many interesting articles on the farm situation generally. I was wondering why the publication was discontinued unless there was some good reason for that.

Mr. GARDINER: The reason was the expense of getting out a publication of that kind with our estimates cut down as they have been since the war started. I might add that it is much more difficult, I think the hon. member will agree, to publish such an outlook in war time than in peace time. The term "outlook" indicates the nature of a publication of that kind.

Mr. STOKES: How is the mailing list compiled and kept up to date?

Mr. GARDINER: It is a continuing list which has been built up over a long number of years, and we try to keep the list as up to date as we can. If you check the list tomorrow you might find the name of somebody on it who died last year, but even in that event the publication would not be wasted because there would no doubt be someone at that address who would get the mail. As close a check as possible is kept of the list, and names are struck off when persons have moved, but there is just the possibility that there may be some overlapping in a list of that kind.

Mr. PERLEY: I agree with the hon. member for Haldimand that a great many of these publications are very useful. Last year I carried some home with me in my car, and I would slip them out to farmers. One was on soya beans, I remember, and another on beef and how to select and cook it. I happened to leave one or two of these publications with a family in my town. Last week the Wolseley community war service organization put on a carnival, and this woman, who is one of the homemakers' group, wrote to me that they were conducting a booth at this carnival and asked if I would select a number of pamphlets such as I had left on this occasion, or any others, and send them to her. I selected eight or ten. One was entitled "Milk, the Perfect Food," and another was headed "Why Pasteurize Milk?" There were also two or three about canning and preserving fruits. I have received word that they went like hot cakes. The homemakers' group made over $100 at their booth. No doubt there will be a demand for some of these publications. I understand that the minister's department is putting out a pamphlet on how to can preserved fruits without sugar. I believe that if such a publication is intended, it would be a good thing to get a little publicity through the weekly press or advertise it in some way, because now that sugar is rationed it would be a fine thing to have this information in the hands of the people generally.

Mr. GARDINER: The only thing I can say with regard to the matter is that our department has a service which is working out plans of that kind. Many women have been canning certain fruits and vegetables without the use of very much sugar; and all information with regard to that sort of thing is gathered together, put into the form of publications and sent out for the benefit of others. That work is going on constantly and I am sure, is helpful.

Mr. CARDIFF: Does each agricultural representative get a quantity of this literature, or how is it distributed?

Mr. GARDINER: Yes; they are all on the mailing list and get quantities of it from time to time.

Mr. GRAYDON: Could the minister give the committee any idea of the number of hours per week on the average occupied by Canadian Broadcasting Corporation broadcasts sponsored by the Department of Agriculture?

Mr. GARDINER: There is half an hour every day in connection with giving market prices and that kind of thing. There is some time in addition, but I have not complete figures.

Mr. COLDWELL: Is that sponsored by the department, or is it Canadian Broadcasting Corporation activity?

Mr. GARDINER: These are Canadian Broadcasting Corporation broadcasts. I hope the hon. member is not confusing it with the agricultural forum which was sponsored by the federal and provincial authorities.

Mr. COLDWELL: No.

Mr. GARDINER: The department itself does not actually sponsor the agricultural programme. We supply the material; that is the basis for it. In that sense maybe we are responsible for it. I would not like to say that we are sponsoring it.

Mr. GRAYDON: From a practical point of view, when the Department of Agriculture decides that it is in the interests of the farmers of the dominion that a broadcast should be made over the Canadian Broadcasting Corporation, is that initiated by the Department of Agriculture and, if it does, what is the practical means whereby the broadcast goes on the air? Does the Department of Agriculture go to the Canadian Broadcasting Corporation and ask for a date and for the particular length of time during which it wishes to broadcast? Does that come direct from the Department of Agriculture to the Canadian Broadcasting Corporation?

Mr. GARDINER: Yes. Whenever any special programme is put on, or we desire to have any special broadcast, we go to the Canadian Broadcasting Corporation and arrange for the person who is to broadcast, and so on.

Mr. COLDWELL: Do you pay for it?

Mr. GARDINER: No, we are not required to pay for it. Where it is in the national interest we are not required to pay.

Mr. COLDWELL: Has the department paid for any programme over the Canadian Broadcasting Corporation in the last year?

Mr. GARDINER: No, not from my memory, excepting broadcasts which are put on in connection with a matter like our acreage reduction plan, advertising in the west. Some of that is paid for.

Mr. COLDWELL: When you pay for it, do you place it through an advertising agency or direct through the Canadian Broadcasting Corporation?

Mr. GARDINER: The last arrangements which were made—for example, for the putting on of the broadcasts with regard to acreage reduction last spring—were made through the J. J. Gibbons Company, whose office is at Regina. They made the arrangements for the radio, largely because they are the agency which does that kind of thing in that area.

[Mr. Coldwell.]

Mr. COLDWELL: Who paid the commission on the government advertising over the Canadian Broadcasting Corporation in connection with this particular matter?

Mr. GARDINER: That was not all over the Canadian Broadcasting Corporation. It was over local stations, a combination of local stations. The Canadian Broadcasting Corporation may have been in it as well, but much of it went over local stations.

Mr. COLDWELL: But if that was a network programme it would be placed with the Canadian Broadcasting Corporation. The point I am getting at is this. We were amazed this morning, in the radio committee, to find that the victory loan campaign and certain other campaigns were placed with the Canadian Broadcasting Corporation through advertising agencies, and that commissions were paid to the advertising agencies for radio time obtained by the government for these national campaigns. Yet we have been told in this chamber that the Canadian Broadcasting Corporation is an agency of the crown. It seemed extraordinary, and I wondered if the Department of Agriculture were doing the same thing.

Mr. GARDINER: Ordinarily we go direct to the Canadian Broadcasting Corporation and make our arrangements direct with them. The only case I can recall, which is an exception, is the one I have mentioned. I am quite sure that that agency did make some arrangements for our advertising in the west. It was largely because we were making arrangements for the general advertising put out by that agency, and I am quite certain that they arranged for that broadcasting as well.

Mr. GRAYDON: To hark back to the evidence which came out on the radio broadcasting commission: there is an interdepartmental committee headed by Mr. Justice Davis, deputy minister of national war services, a purely advisory committee, but one which apparently is working on the question of coordinating the matter of governmental official information which is to be relayed to the Canadian Broadcasting Corporation for dissemination throughout Canada. I was wondering whether the Department of Agriculture, before it initiates a broadcast over the Canadian Broadcasting Corporation, sends or has the informational scripts sent to the interdepartmental committee; whether arrangements are made direct with the Canadian Broadcasting Corporation itself, or through the interdepartmental committee which was set up.

Mr. GARDINER: I think I am correct in stating that that organization is not yet func-

tioning. It has been recommended, and it is up for consideration. When it does function, if it functions, it will operate in the way the hon. member has said.

Mr. GRAYDON: I hope that the minister is correct in what he says in this regard, because the evidence we have heard is not in entire agreement with his statement with respect to the setting up of the committee.

Mr. GARDINER: In what way?

Mr. GRAYDON: I understood that the committee was functioning, and had been for some considerable time.

Mr. GARDINER: Unless I am misunderstanding what is suggested, it is not yet functioning. Probably we are not talking about the same thing.

Progress reported.

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

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Wednesday, June 10, 1942

The house met at three o'clock.

PRIVILEGE

MR. DOUGLAS (WEYBURN)—EDITORIAL COMMENT IN MONTREAL "GAZETTE"

Mr. T. C. DOUGLAS (Weyburn): I rise to a question of privilege. An editorial appearing in this morning's Montreal *Gazette*, referring to a statement I made in the house a few days ago, reads:

Most amazing of all was his protest on Monday against large shipments of Canadian beer to Libya for the use of the troops who are defending him and his family and his congregation under the appalling conditions of desert warfare. It was this that roused Mr. Ilsley's ire and the minister would have been less than a man if he had held his punch.

I desire to invite the gentleman who wrote that editorial to examine the remarks I made last Monday, and he will find that at no time did I make any reference either to Libya or to the sending of beer to that battlefront; that as a matter of fact it was the minister himself who dealt with that question. In reply to the minister I said, as reported at page 3151 of *Hansard:*

Then he proceeded to build up a straw man and to knock him down again, by referring to what people have said about sending beer to Libya. I was not talking about sending beer to Libya.

I have no objection to accepting responsibility for what I have said, but I do not propose to accept responsibility for straw men set up by the Minister of Finance.

PRIVATE BILLS COMMITTEE

Mr. T. F. DONNELLY (Wood Mountain) moved:

That the second and third reports of the standing committee on miscellaneous private bills, presented on June 8, be now concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WARTIME HOUSING—GENERAL MANAGER

Mr. CARDIFF:

1. What salary is paid to Mr. G. L. Goggin as general manager of the Wartime Housing Limited?
2. What was the date of his appointment?
3. What is the amount of his travelling expenses up to and including April 30, 1942?

Mr. HOWE:

1. Mr. Victor T. Goggin is general manager of Wartime Housing Limited. Salary, $10,000 per annum.
2. March 12, 1941.
3. $2,304.19.

WARTIME MERCHANT SHIPPING LIMITED

Mr. MacINNIS:

1. What are the names of the members of Wartime Merchant Shipping Limited?
2. What is the occupation or profession of each member and with what companies is each connected?
3. What are the functions of Wartime Merchant Shipping Limited?

Mr. HOWE:

1 and 2. H. R. MacMillan, president, president, H. R. MacMillan Export Company Limited; C. R. Redfern, vice-president, engineer, president, Redfern Construction Company Limited; Austin C. Taylor, vice-president, president, Bralorne Mines Limited; C. L. Dewar, comptroller, engineer, The Bell Telephone Company of Canada; H. A. Stevenson, assistant to the president, vice-president, Canadian Transport Company Limited; G. D. Eccott, treasurer, chartered accountant; Wm. Mitchell, secretary, lawyer, Kearney, Duquet and Mackay; D. B. McCoy, manager, Purchasing Dept., assistant general manager, The Steel Company of Canada, Limited; C. C. Coull, manager, Engineering Division, engineer; H. T. Mitchell, manager, Labour Training and

Supply Division, president, Mitchell Printing and Publishing Company Limited; N. Beaton, manager, Plant and Yard Expansion Division, engineer; N. Dobson, manager, Shipbuilding Division, senior surveyor, Lloyd's Register of Shipping; G. O. Vogan, executive assistant to the general manager, engineer; J. Husband, manager, Steel Division, salesman; G. S. Burrows, liaison officer, Washington, D.C., engineer, United Steel Corporation Limited; L. J. R. Sanders, manager, Production Division, engineer.

3. (a) Supervision, direction and administration of all contracts entered into by His Majesty or the Minister of Munitions and Supply in respect of the construction and assembly of cargo vessels in Canada or the design, construction, equipment and operation of shipyards, plants, or other buildings or shipways for any such purposes, the whole in accordance with such general or specific instructions as the minister may give to the company from time to time.

(b) The conduct of negotiations looking to the making of contracts in respect of the construction and assembly of cargo vessels in Canada or the design, construction, equipment and operation of shipyards, plants, or other buildings or shipways for any such purposes and the preparation of drafts of such contracts for submission to the minister for his consideration, the whole in accordance with such general or specific instructions as the minister may give to the company from time to time and subject to his approval.

(c) The coordination and expedition, in cases in which the minister may so request, of the construction or assembly of cargo vessels in the Dominion of Canada under contracts, the performance of which is for the time being under administration by the company.

(d) The payment of accounts properly chargeable against the above-mentioned contracts.

NATIONAL REGISTRATION—SKILLED WORKERS

Mr. CASTLEDEN:

1. What use has been made by the government of the 1940 national registration to place experienced and preferred tradesmen into war industry?

2. How many skilled tradesmen, toolmakers, metal workers, machinists and engineers are still unemployed or in non-essential industry?

Mr. MITCHELL:

1. From the 1940 national registration lists were compiled of registrants who reported they were skilled in certain "specialized" occupations. These occupations were selected on a broad basis to determine the persons who, by training or experience, might be fitted for employment in industries or services essential to Canada's war effort. From these lists requests, from government departments, from the armed forces, and from firms and individuals for names and addresses of persons skilled in designated occupations, were answered. The names of unemployed mechanics in the metal and shipbuilding trades were selected from the lists, and these men were communicated with in respect to placement in war industries. The names of those still available for employment were supplied to the most convenient offices of the employment service of Canada so that placements could be effected.

2. Information in respect to the number of skilled tradesmen, toolmakers, metal workers, machinists and engineers still unemployed will not be available until the registration of unemployed male persons, presently in progress, is completed. Information in respect to the number of such persons in non-essential industries will not be available until completion of the tabulation of the unemployment insurance commission registration of April 1, 1942.

WOMEN'S VOLUNTARY SERVICES

Mrs. NIELSEN:

1. What organizational plans have been carried into effect by the director of women's voluntary services?

2. What plans have been made for coordination of voluntary services of women?

3. What are the names of the organizations within the scope of the branch of women's voluntary services in each province, district or community to which women desiring to volunteer their services may apply?

4. What channels of publicity, if any, are being used by this branch to inform women of the facilities of the women's voluntary services?

Mr. THORSON:

1. The plan of organization and development of the women's voluntary services division, which is hereto attached, has been mimeographed and mailed to all the women's organizations. Four cities have appointed local committees to study the need of coordination of voluntary services and a number of other communities have made inquiries. A western trip is being made in the near future in response to requests for discussion and advice.

2. The organization of central volunteer bureaux locally is being encouraged. These serve as manning pools for voluntary effort thereby functioning as the clearing house for volunteers serving existing local organizations and acting as a reservoir for organizations to secure additional volunteers for their increased activities.

3. National Organizations: Red Cross, St. John Ambulance, Navy League, Imperial Order Daughters of the Empire, National Council of Women, Canadian Federation of University Women, Canadian Business and Professional Women's Club, national professional organizations, Catholic Women's leagues, national minority groups, Women's Institutes, fraternal organizations.

Provincial Organizations: The provincial counterparts of the national organizations, provincial home and school clubs, provincial adult education, La Ligue de la Jeunesse Feminine.

Community: Auxiliary services (coordinating councils, citizens committees, volunteer bureaux), health and welfare services, home and school clubs, trades and labour councils, labour auxiliaries, cooperatives, church groups. Each community has a certain number of these organizations or may have additional organizations not listed.

4. Copies of the memorandum "Organization and Development of the Women's Voluntary Services" have been mailed to all the organizations named in the answer to question 3; speaking at provincial and national annual meetings of various women's organizations; press releases; radio—one radio talk; bulletin of set-up for volunteer bureaux is prepared; individual correspondence; many personal contacts with representatives of national, provincial and local organizations.

Organization and development of the women's voluntary services

World War One rallied to it a volunteer service that resulted in social service organizations being created in the period that followed. World War Two is rallying many volunteers who have had no previous volunteer experience but who are spurred on to give a maximum service in the war effort.

The women's voluntary services division gives impetus to this effort. Its objectives are:

1. To unite both voluntary war work and civilian services in such a way that the whole volunteer movement marches forward in a coordinated whole on a community basis.

2. To recognize the difference in community set-up so that the plan of coordination will vary as the structure of war work and civilian services varies.

3. To be of service in an advisory capacity so that duplication and waste of effort may be reduced to a minimum. This may be accomplished by

(a) Strengthening civilian morale by such volunteer activity as will provide satisfaction and a feeling of accomplishment to the volunteer.

(b) Stimulating women to understand total war so that organizations may be encouraged to give volunteer service that will adapt itself to the constantly changing war scene.

(c) Encouraging the development and extension of training and lecture courses so that volunteers may be more proficient in their performance; but more especially, that they may understand the reasons for changes and development in war and civilian activities.

4. To stimulate interest in needed war time projects by organizing and directing these on a demonstration basis.

5. To encourage the organizing of emergency squads to be called upon as necessary.

6. To help create a community volunteer structure that will continue as the nation passes from war to peace.

Keeping in mind communities have difference in tradition, geographic position, size, etc., each community must be studied as an entity, yet certain basic procedures apply to all. For general purposes communities may be classified into two groups.

1. The large urban community. These usually have a council of social agencies or a welfare council which sponsors a volunteer bureau and through it correlates volunteer effort and acts as a clearing house for volunteers.

In these communities the principle of cooperation and coordination is not new. The council of social agencies has for years been the planning body for welfare organizations and their civilian services while the welfare council, later in development, functions to coordinate all community endeavour for the general welfare of its citizens.

The volunteer bureau may be set up as a committee of either council. It surveys the need for volunteers and recruits them. It keeps records of their qualifications, capabilities and experience so they may be placed with the organization where they can give the most effective service.

Training courses and lectures of a specific nature given by experts in various fields should be a function of a well organized bureau.

Every community is developing auxiliary services or citizens committees to assist in the welfare, comfort and recreation of the men in training.

The volunteer effort is directed mainly through

(1) Welfare councils or councils of social agencies.

(2) Volunteer bureaux.

(3) Citizen committees and auxiliary services.

It is therefore most important that in order to prevent overlapping and wasted effort there should be coordination. This may be achieved through a coordinating council representative of councils of social agencies, national organizations and governmental bodies. The interrelation between civilian and war services might be strengthened by the secretary of the council of social agencies or welfare council acting as secretary to the coordinating council. In any event the person selected as secretary of the coordinating council should have intimate knowledge of the welfare set-up of the community.

2. The smaller community. These communities are not likely to have a council of social agencies or a welfare council, but there will be one or two social agencies such as the childrens aid society, Victorian Order of Nurses, the relief officer, or the medical officer of health or a unit of the women's institutes.

Where such is the case, it would seem possible to coordinate the volunteer effort through a volunteer bureau. As the war progresses, new committees will be set up to meet new war-time services such as consumer groups to assist in price control, salvage committees to organize the salvage of the community, rehabilitation committees to assist in the rehabilitation of the returned soldier. This effort will be most effectively directed if organized through a volunteer bureau.

The foregoing statement of the women's voluntary services division clearly indicates that its purpose is not to set up a national organization in Ottawa forcing a set plan of volunteer organization on local communities, but rather by studying a community, help it so to organize its effort that total war may be waged without waste or duplication of effort in the volunteer field.

WARTIME PRICES AND TRADE BOARD—MRS. MCLAWS

Mr. McGREGOR:

1. Is Mrs. McLaws employed in any position with the wartime prices and trade board?
2. If so, in what capacity?
3. What are the duties attached to such position?
4. What salary and/or allowance does she receive?
5. What is the amount of travelling expenses and/or living allowance which she has drawn since her appointment?
6. By whom and upon whose recommendation was she appointed?

Mr. ILSLEY:

1. No.

2, 3, 4, 5 and 6. Answered by 1.

[Mr. Thorson.]

WARTIME PRICES AND TRADE BOARD—JEAN BURNS

Mr. McGREGOR:

1. Is Miss Jean Burns employed in any position with the wartime prices and trade board?
2. If so, in what capacity?
3. What are the duties attached to such position?
4. What salary and/or allowance does she receive?
5. What is the amount of travelling expenses and/or living allowance which she has drawn since her appointment?
6. By whom and upon whose recommendation was she appointed?

Mr. ILSLEY:

1. Yes.
2. Clerk.
3. Supervising routines and procedures, female stenographic and clerical staff.
4. $1,380 per annum.
5. None.
6. Civil service commission.

JAMES FRANCESCHINI—CONSTRUCTION OF BUILDING AT LAC TREMBLANT, QUE.

Mr. FRASER (Peterborough West):

1. Was a permit issued to James Franceschini for the construction of a building at Lac Tremblant?
2. If so, what materials did the permit release?
3. Did the permit release any steel?
4. What was the cost of the materials released by the permit?

Mr. HOWE:

1. No. A permit No. 4604 was issued to the Quebec Paving Company Limited for construction of a residence at Lac Tremblant for the use of James Franceschini. This permit was issued on the basis of prior commitment, work having been started in November, 1941, before P.C. 660, January 30th, 1942, covering dwellings, came into effect. At this time all dwelling houses, on which work had started before January 30th, 1942, but had not been completed by that date, were issued licences.
2. As required for the work, subject to the conditions of the licence.
3. No.
4. Not known. The information required on the application for a building permit does not separate materials from labour.

SALMON FISHING REGULATIONS

Mr. ROY:

1. Has the dominion government passed a regulation compelling all holders of salmon fishing licences in the province of Quebec to limit their annual catch to 12,000 pounds?

2. If so, (a) upon what date was such order adopted; (b) does it apply only to the province of Quebec, or is the province of New Brunswick equally included?

3. Was such regulation requested by the government of the province of Quebec? If so, by what department?

Mr. POWER (for Mr. Michaud):

1. No.
2. Answered by No. 1.
3. Answered by No. 1.

WARTIME PRICES AND TRADE BOARD—CHAIRMAN

Mr. ROY:

1. What is the name of the head of the wartime prices and trade board?
2. When was he appointed?
3. What position did he occupy before he received his present appointment?
4. Where was he born?
5. How long has he lived in Canada?
6. Where did he live before taking up his residence in the dominion?

Mr. ILSLEY:

1. Donald Gordon.
2. November 19, 1941.
3. Deputy Governor, Bank of Canada.
4. Oldmeldrum, Scotland.
5. Twenty-eight years.
6. Oldmeldrum, Scotland.

CANADIAN ASSOCIATED AIRCRAFT LIMITED—PLACEMENT OF WORKERS ON CLOSING OF PLANT

Mr. NOSEWORTHY:

What steps have been taken by the government to secure placement for the aircraft workers already discharged and about to be discharged by reason of the closing of Canadian Associated Aircraft Limited?

Mr. MITCHELL: The matter of finding other essential jobs for the men released through the closing down of Canadian Associated Aircraft Limited has been taken up by the Department of Labour and through the employment service it is expected that men of the skilled classes required in other war industries will be placed without delay.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FARM LOANS—BRITISH COLUMBIA

Mr. REID:

1. What was the number of applications for loans under the Canadian farm loan board in the province of British Columbia in each month since January 1, 1939, to May 30, 1942?
2. What number of such loans were granted and for what amount, during each of these months?
3. What amount was collected by the Canadian farm loan board in the province of British Columbia during each of the above months?

WARTIME PRICES AND TRADE BOARD—NEWSPAPER ADVERTISING

Mr. FRASER (Peterborough West):

1. How much has the wartime prices and trade board spent on newspaper advertising up to the 31st of May, 1942?
2. What amount was spent for newspaper advertising in each province?
3. What amount was spent for magazine advertising? In what magazines did the advertising appear?
4. Does this board give its advertising to an advertising agency or agencies?
5. If so, to what agency or agencies?
6. If it does not give the advertising to an agency, does the board employ advertising men?
7. If so, who are they?

WARTIME HOUSING—ONTARIO

Mr. CARDIFF:

1. To what firms have contracts for the erection of houses in the province of Ontario been awarded by the Wartime Housing Limited up to May 15, 1942?
2. At what places were such houses erected or now under contract for construction and how many at each place?
3. What was the actual amount paid or to be paid each building contractor under each contract for each of the several types of dwellings?
4. Were tenders called in all cases?
5. Was the tender extended in any case for additional houses in excess of the original contract? If so, in what cases and did the same prices prevail as in the original contract; if not, what differences existed in each case?
6. Has any amount been paid to any of the contractors over and above the original contract? If so, give details of each instance?

MOTIONS FOR PAPERS

PORT OF TORONTO—DUTY PAID ON COAL

Mr. NOSEWORTHY:

For a statement showing a day by day breakdown of the amount of duty paid on coal at the port of Toronto between April 1 and July 31, 1940.

CANADIAN OFFICERS' TRAINING CORPS

Mr. GREEN:

For a return showing the universities, colleges and schools which have an officers' training corps recognized by the Department of National Defence, the number enrolled in each corps and what grants are paid by the government in respect of each corps.

LABOUR CONDITIONS

ACTION TAKEN AGAINST MONTREAL INDUSTRIAL WORKERS FOR UNION MEMBERSHIP

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I should like to ask a question of the Minister of Labour, based on a telegram from Montreal received by a number of members to-day, signed by Paul Fournier. It reads as follows:

> Over the period of the last two months workers have been fired, intimidated and blacklisted for union membership in the Dominion Engineering Company, Marconi Company, Montreal Locomotive Company and Robert Mitchells. Repeated appeals to the Department of Labour for investigations and actions have failed to have those men and women who were fired reinstated. Intimidation still goes on. Unless these practises are immediately stopped we feel that serious consequences will result.

What has the government done in regard to these disputes, and what is its intention as to future action?

Hon. HUMPHREY MITCHELL (Minister of Labour): It is passing strange that these telegrams should be broadcast in this way. It is only fair to say that on every occasion on which a request of this nature has come to the Department of Labour it has been handled with expedition. We received a similar request from Mr. Fournier, asking for an appointment with me to meet a delegation on the 24th or 25th of this month. I have already answered Mr. Fournier's communication, stating that I would meet the delegation.

Mr. MacINNIS: Has this particular matter been investigated by the Department of Labour, or by someone from that department?

Mr. MITCHELL: My understanding is that this delegation wants to meet me to consider the whole question as to conditions in Montreal. I have some knowledge of the situation there, and I have replied to their request.

POOLING OF RESOURCES

ESTABLISHMENT OF JOINT UNITED STATES AND UNITED KINGDOM BOARDS ON PRODUCTION, RESOURCES AND FOOD

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. In to-day's issue of the Montreal *Gazette* under date of Washington, June 9, there is a statement to the effect that the factories and farms of the United States and the United Kingdom were pooled to-day by the establishment of two joint boards. One is a combined production and resources board, and the other a combined food board. President Roosevelt stated that Canada has no direct representation on either board, but would line up with the United States on the production board, and that for all practical purposes Canada was represented, because "Nelson will speak for North America as a result of the close integration of the Canadian-American production programmes already in effect." Does the Prime Minister consider it satisfactory that Canada should be represented by a United States official?

Mr. MACKENZIE KING: I shall give my hon. friend a statement in the matter to-morrow.

JAPANESE NATIONALS

REFERENCE IN KAMLOOPS PAPER TO CONDITIONS IN NORTH THOMPSON AREA CAMPS

On the orders of the day:

Mr. T. J. O'NEILL (Kamloops): Mr. Speaker, I wish to ask a question of the Minister of Labour arising out of an item appearing in a Kamloops paper. The item says that the foremen in the camps in the North Thompson area are only flunkies for the Japanese, that the Japanese are in full control of the rations; that the Japanese are not rationed for sugar; that the Japanese are being fed the best canned peaches, canned pears and canned plums, while the guards have only dried fruit. It states that the guards are laughed at by the Japanese, and that they have no backing at all. Has the Department of Labour any information as to the truth of these statements, and if there is any foundation for them, what action does the government propose to take?

Mr. MITCHELL: In the first place—

Mr. SPEAKER: I should have interrupted the hon. member when he began his observations, but I must point out now that this is certainly a question which should be placed on the order paper. It is improperly asked at this stage.

Mr. NEILL: On a point of order, this is a very urgent matter in British Columbia. The minister is ready to reply; could he not be allowed to give his answer?

HOUSE OF COMMONS

READING OF SPEECHES—FORTY MINUTE RULE—STATEMENT OF MR. SPEAKER

On the order:

Second reading of Bill No. 80, an act to amend the National Resources Mobilization Act, 1940.—The Prime Minister.

Mr. SPEAKER: Before proceeding with this order there is a matter I should like to draw to the attention of the house. At the conclusion of the debate on the address in reply to the speech from the throne, I called the attention of the house to serious infringements of the rules relating to forty-minute speeches, and the reading of speeches. Since that time hon. members have observed very faithfully the meaning and intent of those rules. This is, of course, a very important debate, and at the opening of it I should like to say that so far as I can I intend to apply those rules to all parties in the house. It is true that the Prime Minister and the leader of the opposition have the right to speak at length, and it has been the practice and has been acquiesced in by the house to extend this privilege to the leaders of two other groups, namely, the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Lethbridge (Mr. Blackmore). They have been permitted to speak longer than forty minutes, and also if necessary to read their speeches, on the principle, as I understand it, that they are speaking not only for themselves as individual members but also as the exponents of the policy of the groups of which they are the leaders.

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT OF SERVICE OVERSEAS

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940.

He said: Mr. Speaker, in what I propose to say this afternoon I intend to make my remarks under two main divisions. The first division will relate to the amendment, and will also have reference to the plebiscite. The second part will deal particularly with the issue of conscription.

On Monday, May 11, I moved for leave to introduce the bill which is now before the house. Leave being granted, it was introduced and read the first time. As then explained, the bill seeks to amend the National Resources Mobilization Act, which was assented to on the 21st of June, 1940. There is but one amendment of significance. It is to repeal section 3 of the Act. Such further amendments as are sought are consequential upon the striking out of section 3. They do not go beyond deleting from section 2 of the Act, the words "subject to the provisions of section 3 hereof" in the first line of the section as it stands at present, and the renumbering of the sections affected.

Section 2 of the National Resources Mobilization Act reads as follows:

2. Subject to the provisions of section three hereof, the governor in council may do and authorize such acts and things, and make from time to time such orders and regulations, requiring persons to place themselves, their services and their property at the disposal of His Majesty in the right of Canada, as may be deemed necessary or expedient for securing the public safety, the defence of Canada, the maintenance of public order, or the efficient prosecution of the war, or for maintaining supplies or services essential to the life of the community.

Section 3 of the Act reads:

3. The powers conferred by the next preceding section may not be exercised for the purpose of requiring persons to serve in the military, naval or air forces outside of Canada and the territorial waters thereof.

Let me immediately direct the attention of hon. members to the wording and exact meaning of these two clauses. They give expression to the law as it is at the present time. They help to make clear the precise effect of the proposed amendment.

By section 2, special powers are conferred upon the governor in council. By another section of the act, the powers conferred are to remain in force only during the continuance of the present war. There can be no doubt whatever as to what these powers are. The governor in council possesses and has possessed ever since June 21, 1940, power to require persons to place themselves, their services and their property at the disposal of His Majesty, as may be deemed necessary or expedient for the defence of Canada, or the efficient prosecution of the war.

Power to require persons to place themselves, their services and their property at the disposal of His Majesty—is nothing more or less than what is meant by conscription. The power here given is that of conscripting all persons, which, in law, include corporations, all their services, and all their property, for the defence of Canada, or the efficient prosecution of the war.

It is well that this fact should not only be made perfectly clear, but that it should be emphasized. Because ever since the act was passed, and even up to to-day, there are many who say, others who think, and yet others who believe, or who would have it appear, that conscription does not exist in

Canada. These people say that conscription is the right principle; that conscription is in force in other countries, and that we ought to have conscription in Canada. They say that it is wrong and unfair that, in any part of the country, men should not be conscripted for military or other service while the men in other parts give their services voluntarily. That, above all, "slackers" and "shirkers" should not be allowed to "go free," while others are left to do the fighting.

Extraordinary as it may seem, the persons who say or who would have others believe that we do not have conscription in Canada are not confined to citizens of other countries. If we are to judge by what we hear, and what we read in the press from time to time, they include a very large number of our own citizens. They certainly are among the number who are loudest in their utterances.

This demand for conscription in Canada has been made right along and continues to be made, notwithstanding the fact that, for all Canada, conscription has been the law of the land since June 21, 1940, and that, under the special powers conferred upon the governor in council by the National Resources Mobilization Act, compulsory military training, in other words "conscription", has been in operation since October, 1940, and compulsory service, for the duration of the war, since February, 1941.

Under the original plan, some 80,000 young men received thirty days military training. Under the revised plan, which provided for four months training to be followed by service for the duration, more than 30,000 young men are now in course of training or service. This number does not include the very considerable proportion of those called up who, subsequently, volunteered for the navy and the air force, or for service in the army anywhere in the world.

There are two methods by which most ends are attained by government. The one is the voluntary method, the other the compulsory method. Power to require persons to place themselves, their services and their property at the disposal of his majesty—is the power of government to employ the compulsory method. In other words it is the power to conscript. How then can there be any question as to there being conscription in Canada, or any doubt that the principle of conscription has been approved by the parliament of Canada? The principle is there. It is embodied in the National Resources Mobilization Act. It is part of the law of the land, and has been so by statute ever since June 21, 1940. The whole purpose of the National Resources Mobilization Act was to give to the governor in council power to conscript the property and services of individuals or corporations. That power, where it has been deemed necessary or expedient to do so, has been exercised ever since, and is being exercised by the government to-day.

There was, it is true, at the time the act was passed, a limitation placed upon the exercise of the special powers conferred upon the governor in council. That limitation still exists. It is set forth in section 3, which provides that the powers conferred may not be exercised for the purpose of requiring persons to serve in the military, naval or air forces outside of Canada and the territorial waters thereof. The meaning of the section is perfectly clear. Section 3 was not intended to deny the existence of the powers of compulsion or conscription conferred upon the governor in council, much less was it intended to take away any of those powers. Indeed, the section begins with the words "the powers conferred by the next preceding section", and thereby constitutes an affirmation of the existence of the powers. What the section does, and all it does, is to limit the exercise of those powers, and to limit them in one particular only. That limitation is in respect of their exercise "for the purpose of requiring persons to serve in the military, naval or air forces outside of Canada, and the territorial waters thereof".

This is the one and only limitation upon the exercise of the powers conferred on the governor in council, on June 21, 1940. The amendment proposes to remove this limitation. The adoption of the amendment clearly does not mean the adoption of any new principle with respect to the method of raising men for military service. It extends the area in which the powers of the governor in council may be exercised but does not change the character of those powers. In other words, the amendment is not related to the principle of conscription, but to the extent that its application may be deemed necessary or expedient for the defence of Canada or for the efficient prosecution of the war.

I come now to a most important fact with respect to the powers conferred upon the governor in council under the National Resources Mobilization Act. The act itself is enabling legislation. It does not necessarily contemplate the immediate, and certainly does not contemplate the total exercise of the powers conferred. Were those powers to be immediately and totally exercised we should have established at once a communist state. What the act does contemplate, as is expressed in the statute itself, is the exercise "from time

to time" of such of the powers conferred as may be deemed "necessary or expedient". While full and complete powers for the exercise of compulsion are given to the governor in council by the act, under its provisions, it is left to the governor in council to decide when, and to what extent, it may be necessary or expedient to exercise the powers thus conferred. This will be equally true of the powers of the governor in council under the act as amended. The discretion of the government will remain precisely what it is at the present time.

Perhaps I cannot do better, by way of illustration of the difference between the possession of unlimited powers of conscription by the government and the exercise of these powers in the manner deemed "necessary or expedient" at a particular stage of the war, than by quoting what I said in this house on February 25 last.

In *Hansard* at pages 831, 832, I am reported as follows:

> In order to carry on war, men are necessary, money is necessary. Both have to be raised, one in large numbers and the other in large quantities. With respect to the men that are being raised at the present time, we have two methods. They are not ends in themselves but methods, and we are taking the methods which we believe will be most effective and serviceable to Canada's war effort when we resort to the one or to the other. We have two methods of raising men for the army. Some of them are raised by compulsion; they are serving within the territorial limits of Canada. Others are being raised by voluntary enlistment, some of them also are serving in Canada. But all that are going overseas are being raised by the voluntary enlistment system, which has proved effective up to the present.
>
> Now with respect to the raising of money, we are using the same two methods. We are raising money by compulsion, under taxation in its different forms; and we are raising money voluntarily by the loan system which is in progress at the present time, and which the people of the country are supporting splendidly and, I believe, will continue to support. Supposing my hon. friend were to ask me: "What are you going to do if the voluntary system fails in the matter of the loan? Will you tell the people that now?" Could I tell them that? Would it be wise to tell them that? But a decision will have to be made if the voluntary system in the matter of loans should fail to produce the results which it is necessary should be produced in the securing of an amount of money requisite for the purpose. Under such circumstances, I think probably there would be resort to the conscription of wealth. I do not see any other alternative than for the government just to come along and take the wealth that exists, if the required sums cannot be raised voluntarily.
>
> . . . I wish to have that parallel kept in mind. What the government is going to do when the voluntary method fails in the matter of loans it will decide when the time comes; and it will do exactly the same thing as respects the matter of raising men. . . . And may I say this: I think the people of the country will see to it that both things are linked pretty closely together if one or the other becomes necessary.

I hope I have made it quite clear that the National Resources Mobilization Act, as it stands, is not mandatory but enabling legislation; and that, if amended as proposed, it will continue to be enabling legislation.

The extent of the use of the powers conferred upon the government by the provisions of the National Resources Mobilization Act is, and has been from the outset, a matter of government policy. Government policy has always to be decided in the light of all relevant circumstances. This will remain true of the unrestricted powers which the amendment, if enacted, will afford.

I come now to the plebiscite and its bearing upon the amendment before the house. I shall endeavour to anticipate the various questions that may arise in the course of debate, and to answer them in turn.

First of all, why was the plebiscite held? The answer to that question will be found in three paragraphs which appear in the speech from the throne:

> My advisers believe that the magnitude and balanced nature of Canada's war effort is being obscured and impaired by controversy concerning commitments with respect to the methods of raising men for military service which were made prior to the spread of the war to all parts of the world.
>
> The government is of the opinion that, at this time of gravest crisis in the world's history, the administration, subject only to its responsibility to parliament, should in this connection and irrespective of any previous commitments, possess complete freedom to act in accordance with its judgment of the needs of the situation as they may arise.
>
> My ministers accordingly will seek, from the people, by means of a plebiscite, release from any obligation arising out of any past commitments restricting the methods of raising men for military service.

You will observe that there were three purposes in holding the plebiscite. The first was that nothing should be allowed to obscure or impair the magnitude and balanced nature of Canada's war effort; the second, that the administration, subject only to its responsibility to parliament, should possess complete freedom to act in accordance with its judgment of the needs of the situation as they may arise in the prosecution of the war; and the third, which has a direct bearing upon the first two, that the government and parliament should not be bound by past commitments, but be free to discuss and to decide, on its merits, the extent of the use of conscription.

The real nature and extent of Canada's war effort has, for more than a year past, been obscured because of a persistent effort to make conscription for overseas service the symbol of a total war effort, regardless of whether or not the voluntary method was proving wholly adequate. For example, it was said that Canada's effort was not an all-out effort, and could not be an all-out effort because the possibility of conscripting men for service overseas was excluded by existing commitments. This was said regardless of the fact that it has been unnecessary to resort to compulsion, because volunteers in the required numbers have been available.

No one could deny that such commitments had been made. It was useless to argue that in reality, the commitments were not a limiting factor. So long as the government was held in honour bound by these commitments, it was next to impossible to demonstrate that this seeming restriction was not a limiting factor on an all-out effort.

A release from the moral obligation not to resort to conscription for overseas service was a necessary first step before Canada's war effort could be placed in its true light. Release, on that score, was sought by means of the plebiscite, and release has been obtained as a result of the plebiscite. The government and members of parliament are no longer bound by any moral obligation arising out of past commitments. There is now entire freedom to discuss and to decide upon its merits the question of the method to be employed in enlisting men for service overseas. The government is now free to propose without breach of faith, any extension of the application of conscription which may be thought desirable or necessary to a furtherance of Canada's war effort. In the consideration of the matter, both in parliament and in the country, controversy arising out of past commitments can no longer be used to obscure the magnitude and balanced nature of our war effort.

A release from the moral obligation not to resort to conscription for overseas service was equally a necessary first step before the government could seek from parliament freedom to act in accordance with its judgment of the needs of the situation, as they might arise in the prosecution of the war. That release the government obtained as a result of the plebiscite. Complete freedom to act in accordance with its best judgment will, however, not exist until parliament has removed section 3 of the mobilization act.

Let me now deal with the relationship of the plebiscite to conscription, and in particular, as to whether a "yes" or "no" vote was a vote for or against conscription. On this point, I should, first of all, remind hon. members of what was said in the course of the plebiscite campaign. Both in this house and throughout the country, it was made perfectly clear by myself as leader of the government, by the leader of the official opposition, and by the leader of the Cooperative Commonwealth Federation, and by members of their respective parties, that an affirmative vote was not a vote for conscription. I am afraid I cannot tell the house what stand the leader of the Social Credit party took. I have, however, found nothing in any of his utterances which would enable it to be said that he regarded an affirmative vote as a vote for conscription for service overseas.

The question on the ballot is, however, the best answer as to whether or not the plebiscite was a vote for or against conscription.

The question on which the people of Canada were asked to express an opinion was:

> Are you in favour of releasing the government from any obligation arising out of any past commitments restricting the methods of raising men for military service?

Clearly the plebiscite merely released the government from its obligation not to resort to conscription for service overseas. It did not commit the government to conscription for services overseas. The result of the plebiscite leaves no doubt as to the freedom of the government and of parliament to discuss the question of conscription for service overseas upon its merits. It equally leaves no doubt as to the freedom of the government and of parliament to decide, for or against conscription for service overseas, either conditionally or unconditionally.

The result of the plebiscite is no more to be construed as a vote for conscription for service overseas than it is to be construed as a vote of confidence in the present administration, or a vote for any political party. That, too, was stressed throughout the plebiscite campaign.

The people were not called upon to express any opinion on the merits of conscription, or on its desirability or necessity. In fact, the plebiscite was selected as the method of obtaining their views precisely because it afforded the best known means of obtaining an expression of opinion regardless of political affiliations, and regardless of military considerations.

Since conscription was not the question on which the vote was taken, the result of the plebiscite cannot be considered or construed as a mandate for conscription. It was not even in the category of a mandate. It was wholly and solely an expression of opinion.

The vast majority of the citizens of Canada indicated that in their opinion the government, in deciding upon the course to be pursued in the prosecution of Canada's war effort, should not be hampered by any restriction respecting the methods of raising men for military service.

Some, however, will say: Would the government have asked to be released from its commitments unless it envisaged the possibility, at some future time, of a need arising for conscription for service overseas? As I have just said, one of the purposes of the plebiscite was to give to the government freedom thereafter to recommend to parliament any measure respecting military service deemed essential to the security of our country and the effectiveness of an all-out war effort. We were thereby taking, in plenty of time, a precaution which would enable the government to meet, in the most effective manner without any possible breach of faith, any emergency that might arise in the future course of the war.

To sum up concisely the relationship of the plebiscite to the issue of conscription, I would say: (1) that the plebiscite cleared the deck for unrestricted discussion and debate; (2) that the amendment if adopted will clear the deck for unrestricted decision and action by the government, subject only to its constitutional responsibility to parliament.

The vote on the plebiscite was taken on Monday, April 27. On Friday, May 8, I informed the house of the government's intention to amend the National Resources Mobilization Act, and on Monday, the 11th of May, the bill containing the proposed amendment was introduced and given its first reading. In the interval, on Saturday the 9th of May, the Minister of Public Works (Mr. Cardin) tendered his resignation. I felt that the reasons given by the minister evidenced a mistaken view of the government's purpose and intention and therefore sought to have him reconsider his resignation. But the minister felt he could not change his views, so I had no alternative but to inform his excellency of the correspondence which had passed between us, and to advise the acceptance of the minister's resignation.

In the minister's letter of resignation, there will be found, I believe, not only the reasons which occasioned the resignation, but an explanation of the misgivings which lie at the root of the reasons themselves. Similar reasons and misgivings are naturally in the minds of some supporters of the government, not only from the province of which the minister was one of the representatives in the cabinet, but from other provinces as well. In the case of all but a few of the government's supporters, they account, I believe, for such objections as have been raised to the amendment. It is important, therefore, that the arguments set forth by the minister in justification of his resignation should be examined with the utmost care. In presenting these arguments, I cannot do better than quote from the words of the minister's letter.

The minister said:

> I feel that there is no necessity for repeating here the arguments which, I sincerely believe, justify my action. Suffice it to say at present that, as far as Canada is concerned, since the question of the plebiscite was first discussed and since the vote has been taken, nothing has been said nor anything established to indicate that the war situation has rendered necessary, just a few days after the vote, the introduction of a measure containing the principle of compulsory military service for overseas.

In this paragraph is set forth very clearly a circumstance which has greatly perplexed many of those who saw in the plebiscite simply a clearing of the decks for freedom of discussion and possible future action. They had not envisaged the immediate introduction of legislation; much less, as the minister said, "the introduction of a measure containing the principle of compulsory military service for overseas." The misunderstanding of the exact situation has been further aggravated by the fact that since the result of the plebiscite was known, a deliberate effort has been made to construe the result as a mandate for conscription. Not only has it been said that the result of the plebiscite constitutes a mandate —but what is still farther from the truth—a mandate that necessitates immediate resort to conscription for service overseas.

Had the government's action, in introducing the amendment, been due to any such interpretation, either of the purpose of the plebiscite, or of the result of the plebiscite, I would have been the first to support the minister in his protest. I can, however, find no justification for any such interpretation, either of the purpose of the plebiscite or of its results.

I have already said this afternoon that a "yes" or "no" in the plebiscite was not to be, and could not truthfully be construed as a "yes" or "no" for conscription for service overseas. I said precisely the same thing in the debate on the speech from the throne, and in the debate on the plebiscite bill. I said the same thing in my radio broadcasts. In interpreting, through the press and in this house, the results of the plebiscite, I also repeated what I had previously said.

The issue was not conscription but whether the government, subject to its responsibility to parliament, should have a free hand in the discharge of its duty in carrying on the war.

This free hand the government has still to secure from parliament. Prior to the plebiscite, because of past commitments, the government was precluded from coming to parliament to request a free hand. The government is no longer in that position. It is free to come to parliament, as it does to-day, because of the release as a result of the plebiscite from all such commitments.

In order to confirm what I have just said, allow me to read from the nation-wide broadcast I delivered on April 7, in an opening appeal to the Canadian electorate for an affirmative vote:

> The issue at present is not conscription; it is whether or not the government, subject to its responsibility to parliament, is to be free to decide that question itself, in the light of all national considerations. The government is not asking you to say whether or not conscription should be adopted. That responsibility the government is asking you to leave to itself, and to parliament, with entire freedom to decide the question on its merits.

Let me also read what I said on April 24 in a final appeal to the electorate for an affirmative vote. This appeal was also made in a broadcast which was nationwide:

> When the plebiscite was announced many did not understand what it was on which they were going to be asked to express an opinion. Many thought that conscription was the question to be decided. In other words, they believed that the government was placing on the people the responsibility of deciding the issue of conscription, instead of assuming that responsibility itself, and making its own recommendation to parliament.
>
> It has now ben made clear that conscription is not the issue. Let me emphasize that fact. Those who tell you that conscription is the issue are misleading you. The sole purpose of the plebiscite is to obtain for the government, and for parliament, a perfectly free hand in dealing with this, as with all other questions. All you are being asked to say is whether or not you are in favour of the government's hands being perfectly free at this time of war. That is the meaning of the question to which you are being asked to reply yes or no. If you reply yes, you will not be committing the government to conscription for service overseas; but you will be enabling the government and parliament to discuss and decide that question solely on its merits.

I have quoted from my own nation-wide broadcasts. Let me now quote a paragraph or two from the nation-wide broadcasts delivered by the leader of the opposition on April 20. I quote:

> This plebiscite is simply to give to the government and Mr. King release from a commitment not to enlist men for overseas service by compulsory methods. That, primarily, is the only issue involved. Emphatically, it is not, in this specific vote, an issue for or against compulsory service for overseas. It is merely a vote to release or refuse to release, Mr. King from a pre-electon pledge. . . . You are not called upon, by this plebiscite, to declare for or against conscription for overseas service. That may come; it does not follow from this plebiscite. . . . The only question involved is whether the government shall be free to follow any policy it may deem necessary in the future.

[Mr. Mackenzie King.]

Let me also quote from the nation-wide broadcast delivered by the leader of the Cooperative Commonwealth Federation, on April 21. I quote:

> The vote on Monday is not a vote for or against the conscription of man-power for overseas service. It is a vote to release members of parliament from their pledge not even to consider such conscription. Thus, while the Prime Minister in his radio address on April 7 quite properly stated the reasons why it is necessary to obtain a release from the pledges against conscription for overseas service, he made it quite clear that such conscription is not the issue which will be decided by the plebiscite. That issue will be decided by parliament when and if the government presents it for discussion.

From these quotations, it will be seen that the leader of the opposition and the leader of the Cooperative Commonwealth Federation expressed precisely the same view as myself of the issue in the plebiscite.

It cannot serve any useful purpose, indeed it can only do a great injustice to the Canadian electorate, to attempt to place upon the results of the plebiscite any interpretation other than that which, before the vote was taken, the electors were told would be placed upon the results. To interpret the results otherwise would be doing a cruel injustice to many members of this House of Commons who most certainly would never have advocated an affirmative vote had it not been made clear beyond all doubt that in so doing they were not endorsing conscription. I know of many members, some of them with sons serving in Canada's army overseas, who were themselves opposed to conscription, but who did all in their power, in their several constituencies, to secure an affirmative vote. This they did in order that they themselves and "the government and parliament should be wholly free to exercise their best judgment in dealing with every situation in the light of what is best for Canada, and for Canada's effort in the present war".

To claim that what had been sought or obtained by the plebiscite was a mandate for conscription is to assert that the plebiscite was a mere subterfuge. Such a claim goes further than that: it is equivalent to saying that those who stated that the issue was not conscription, did not mean what they said; that they were deliberately seeking to deceive the electorate.

Such a claim does a particular injustice to hon. members of this house, who knowing the importance of national unity at a time of war did their best to remove the prejudices which some others were doing their utmost to inflame. In the endeavour to bring home to the people of their province the truth of Canada's position in the present war, and the need in the interests of national security as well as of national unity for an affirmative vote, none fought more valiantly than the majority of the members of this house from the province of Quebec, including my former colleague, the then Minister of Public Works and of Transport.

Let me make this perfectly clear. If the government has brought in the amendment at the time it has, it is not because of any false interpretation of the results of the plebiscite, but for reasons that are in complete accord with the purpose for which the plebiscite was held.

I have said that the purposes of the plebiscite were to place the magnitude and balanced nature of Canada's war effort in its true light, and to secure for the government a free hand in the prosecution of the war. Both purposes, I believe, should be achieved as speedily as possible.

I made this abundantly clear in the words with which I concluded my final broadcast on April 24. I quote:

> Let me just say this, that if disaster should ever overtake us, it will certainly be said for generations to come that had the government's powers not been restricted, the disaster would never have occurred. Such is the responsibility that may come to rest upon those who, in the existing crisis, are unwilling to remove restrictions and give to the government a free hand in its war policies.
>
> To-day, the enemy is so strong that he can only be held at bay, and finally defeated, by the common action of all the united nations. For her own security, Canada should make it perfectly clear to the other united nations and, above all, to the United States, that Canada is as ready to help them as we know they will be ready to help us. An overwhelming affirmative vote on Monday next will serve to make that perfectly clear.
>
> To-day, despite the magnificence of Canada's war effort, the impression is being fostered among other nations that because of a restriction on the powers of the government, Canada's war effort is not an all-out effort. This impression is quite unfounded. Nevertheless, it is working a grave injustice to our country as a whole, and to every man and woman who is making any contribution towards the winning of the war. I want that injustice to end. And so I ask you, my fellow-countrymen—every one of you—to help give to our country complete freedom and strength for an utmost effort both in its own eyes, and in the eyes of the world. You can do this by voting "yes" on Monday next.

How very much to the point the words of that appeal were has been brought home to us all within the past few days, with surprising suddenness. For more than a fortnight past, the forces of the United States and Canada have been combining their strength to meet imminent attack by Japanese forces upon Canada and the United States.

May I say that only in to-day's papers and over the radio this morning we were informed that one of the United States ships just off the coast had been torpedoed. Some men were brought ashore alive, but unfortunately one of the number died before his raft could reach the shore. That is on the Pacific ocean—a ship torpedoed by a Japanese submarine.

The people of Canada, on Monday the 27th of April, made it unmistakably clear that they desired for Canada and for its war-time government "complete freedom and strength for an utmost effort both in its own eyes and in the eyes of the world."

In the eyes of some in our own land, and even more in the eyes of many in other countries, so long as clause 3 remains in the National Resources Mobilization Act, that "complete freedom and strength for an utmost effort" does not and cannot exist. Regardless altogether of whether the removal of clause 3 would make the difference of an additional man going overseas, so long as, in the statutes of Canada, any restriction remains it will continue to be cited as a bar to a total effort, and a bar, moreover, which finds its expression in the law of our land.

We have been released by the plebiscite from commitments which, up to the time of the plebiscite, had been pointed to as the bar to an all-out effort. Surely, every argument that could be urged in support of a release from a moral obligation, can be urged with equal force against a legal obligation, the effect of which, in so far as it may constitute a bar to a total effort, is exactly the same. If there be any wisdom in removing false impressions, surely the sooner they are removed the better.

It will be said that it may be perfectly true that there is need for some action as a consequence of the plebiscite, and need even for immediate action. But why, it is asked, go so far? Why seek to do everything at once? Why not proceed by stages? The people need educating. What they may not see to-day, they may come to understand to-morrow. It was difficult enough, in some quarters, to have them see the wisdom of trusting the government, and of giving to it, subject to its responsibility to parliament, a free hand at a time of war. Why arouse suspicions? Above all, why give to those who

said that the plebiscite was a mere subterfuge and that its real purpose was the immediate application of conscription for service overseas, the chance to say "we told you so; we are the real leaders; the rest have been deceiving you". Why should those who spoke otherwise be placed in a false light by the introduction of a measure containing the principle of compulsory military service for overseas, and that, as my former colleague said: "just a few days after the vote"?

These are pertinent questions. They are questions to the significance of which too careful attention cannot be paid by members of parliament, and, I might add, by all who have to do with the moulding of public opinion in Canada. They may seem difficult questions to answer, but if they cannot be answered, and answered to the satisfaction of an impartial listener, then I am prepared to say that I would be unworthy of the confidence placed in myself, and the government would be unworthy of the support it has received from those who so loyally supported us in our effort to obtain an affirmative vote on the plebiscite.

Let me first of all refer to what some would have regarded as a preferable way of proceeding. I do not think I need to say more about the mistake it would have been for the government, once the moral restriction was removed, to have delayed in seeking the removal of the legal restriction.

But, it is said, could not the removal of the legal restriction have been effected by two or more steps, instead of one? It has, for example, been said that if, in due course, the government had brought in an amendment which would have substituted "the northern half of the western hemisphere", or, for that matter, "the western hemisphere", for the words "Canada and the territorial waters thereof", where the latter words appear in section 3 of the mobilization act that in all probability such an amendment would have encountered little, if any, opposition.

That, I believe is true. As long ago as February 26, I stated that the government would, if necessary, not hesitate to use the War Measures Act to send troops called up under the provisions of the National Resources Mobilization Act, to "the panhandle or any place in the vicinity of the coast of Canada". No exception was taken to that statement at the time it was made, nor am I aware of any having been taken since. It is probably now apparent why, in speaking at the time, I related that possible action particularly to Alaska.

The question is: Would such an amendment have served to meet the purposes of the plebiscite as they were outlined in the speech from the throne? Would it have removed from clause 3 of the mobilization act everything that could be construed as a legal limitation upon Canada's war effort? Would it have given the government freedom of action? Would it not rather have been construed, by those who wished so to misrepresent the government's purpose and intention, as the substitution of another limitation for the one removed? Would this new legal limitation, just as has been the case with the existing one, not have continued to be pointed to as a restriction upon a total or utmost effort?

But that is not the only objection to proceeding by stages. To amend the act, in any particular, means a debate in both houses of parliament. It means a debate which, whatever the amendment proposed, would be a debate on the question of conscription. Should a second or third amendment become necessary later on, it would certainly mean as many subsequent debates, going over all the same ground again. Unnecessary discussion and prolonged debate in parliament at a time when our country is hourly being drawn into greater danger would not serve to place Canada's war effort in its true light, either before our own people or before the people of other countries, nor would it gain respect for parliament.

This brings me to a further reason why I feel the government is right in seeking, once and for all, to secure complete freedom to exercise its best judgment in dealing with every situation in the light of what is best for Canada and for Canada's effort in the present war, and that events will so prove.

In concluding my first appeal for an affirmative vote on the plebiscite, I said:

> Aggression has followed aggression with such speed in so many parts of the world that no one can now predict what new areas the war may reach next year, next month, or next week. Danger threatens us from the east and from the west. It is in the face of this peril that, for the defence of our freedom and of our country, the government asks you to give it a free hand.

For the same reason, we now ask the same from parliament.

I take no exception to the statement made by my former colleague in his letter of resignation when he says:

> As far as Canada is concerned, since the question of the plebiscite was first discussed, and since the vote has been taken, nothing has been said nor anything established to indicate that the war situation has rendered necessary just a few days after the vote, the introduction of a measure containing the principle of compulsory military service for overseas.

Were the element of surprise not an outstanding feature of enemy strategy; and were it not a fact that no one knows at what moment the war situation may take some wholly unexpected turn, there would be, at the present time, no practical need for the introduction of an amendment which contains the principle of compulsory military service for overseas. It is always well, however, to be prepared as far in advance as may be possible for any contingency.

If the reasons for having introduced the proposed amendment, just a few days after the vote on the plebiscite, were solely those of meeting some new war situation, or a war situation other than was envisaged when the question of the plebiscite was first discussed, I would be the first to say that such reasons were wholly insufficient to justify the deletion of clause 3 in its entirety at the present time. But such, as I have explained, are not the reasons either for the amendment being introduced so soon after the taking of the plebiscite, or for the government seeking, at the present time, to have the whole of section 3 deleted.

Up to the present, I have said nothing of the powers which, under the War Measures Act, the governor in council already possesses. Under that act, as interpreted by judicial decision and by the legal advisers of the government, the governor in council has authority, notwithstanding section 3, to send men enlisted under the National Resources Mobilization Act to points outside the boundaries of Canada and the territorial waters thereof. In other words, if, to-day, in the opinion of the government, the war situation demanded the dispatch overseas of men already called up under compulsion for military service, the government has the necessary legal power to order their dispatch.

Why then, it will be asked, does the government come to parliament for powers which it already possesses? The answer to this question is the sense the executive has of its responsibility to parliament.

To defeat the enemy overseas, and thereby lessen the possibility of the actual invasion of Canada itself, is the objective of Canada's armed forces overseas, whether they be upon the sea, in the air, or on land.

The government does not believe that, to serve that end, conscription for overseas service is necessary at the present time. Moreover, it may never become necessary. But, in case it should ever become necessary, it is surely the part of wisdom that there should be no doubt whatever of the power of the government to take the necessary action the moment the necessity to do so may arise. There should equally be no doubt that this power is derived from the present parliament rather than from a statute enacted in 1914.

There is nothing in the proposed amendment which could imply that the government's attitude towards conscription for service overseas, as set forth in parliament and as expressed from time to time in the plebiscite campaign, has been altered in the least, or that there is any intention of a change of government policy or attitude. The government's policy as to being given complete freedom to act in accordance with its judgment of the needs of the situation as they may arise was clearly stated in the speech from the throne at the opening of parliament in the following words:

> My advisers believe that the magnitude and balanced nature of Canada's war effort is being obscured and impaired by controversy concerning commitments with respect to the methods of raising men for military service which were made prior to the spread of the war to all parts of the world.
>
> The government is of the opinion that, at this time of gravest crisis in the world's history, the administration, subject only to its responsibility to parliament, should in this connection and irrespective of any previous commitments, possess complete freedom to act in accordance with its judgment of the needs of the situation as they may arise.

The words, "in this connection", in the paragraph I have just read, refer of course to the words "the methods of raising men for military service" in the preceding paragraph. I am, therefore, as I said in my reply to the former minister of public works, unable to agree that there has been any change of policy or attitude on the part of the government. No new policy has been adopted.

The government's policy with respect to the method of enlisting men for service in the army overseas was set forth clearly and unequivocally, on February 10, by my colleague the Minister of National Defence, in discussing the 1942-43 army programme. The minister of defence said that he wanted to see voluntary enlistments kept up, and that he believed it was better for our voluntary army if the men coming to reinforce it were also volunteers. After giving figures which clearly showed that, up to that time, the voluntary system had not failed, the minister added these words:

> I have faith in the success of the voluntary method if we all do our part. With the background and tradition which this country possesses and which it would be folly to ignore, I prefer the voluntary method if it works, and I shall do all I can to make it work.

This statement is by no means the only statement of the position of the government with respect to the method of enlistment for

service overseas. I desire particularly to draw attention to and to repeat the words I used in this house on February 25, in the debate on the second reading of the Plebiscite bill. After setting out the reasons why the government believed the request for a release from any commitments should be submitted to the people, I explained the position the government was then in with respect to the adoption of conscription for overseas service and, in plain and unequivocal language, why it was the government desired to have that position changed and to be given a free hand to act in accordance with its judgment of the needs of the situation as they might arise. Here are my words—and I am quoting from what I said on February 25:

> The position is that the government has full power with respect to everything, excepting one thing; and that one thing is that commitment, that obligation, with respect to the enlisting of men for overseas service. There the government is not free. You may ask why the government should come forward at the present time and ask to be made free. First of all, may I make it clear that it is not because of any situation that exists at the moment. The Minister of National Defence has made it perfectly clear that with respect to voluntary enlistment, we are obtaining men for overseas service at the present time as rapidly as we can train them.

And these are my words:

> For our programme this year, and up to March, 1943, there is an honest belief on the part of the government that we will be able to get the men by voluntary enlistment for service overseas, and will not have to resort to conscription. But no one can say how long this war is going to last. No one can say what particular turn it is going to take. None of us knows what the conditions are going to be in a few months hence, or several months hence, or a year or two hence. . . .

Nothing, I think, could be plainer than that. It was made perfectly clear that the government had no thought of resorting to conscription for overseas service so long as the voluntary system continued to produce the necessary recruits; also, that we honestly believed the voluntary system would suffice to secure the necessary enlistments for the 1942-43 programme. The government, however, wished to be free, without any breach of faith, to resort to conscription for overseas service should that become necessary to our national security and to the effectiveness of our war effort.

If the bill is amended as proposed, it is not the intention of the government to resort to conscription for service overseas unless circumstances should arise which would render the use of compulsion imperative, such, for example, as the maintenance of the necessary reinforcements for Canada's army overseas.

[Mr. Mackenzie King.]

In saying this, let me make it equally clear that, having regard to the stage the war has reached, the government is asking parliament now, just as it did at the time of the enactment of the National Resources Mobilization Act, in June, 1940, to give to it the powers it believes it should possess, quite independently of any powers the governor in council may possess under the War Measures Act. The power to which I refer is the power to decide if, when, and to what extent the use of compulsion may be necessary for military service outside Canada and to exercise that power accordingly.

The amendment before the house necessarily opens up the whole question of conscription for overseas service. The government welcomes this opportunity of having the subject debated. Now that the question can be discussed upon its merits, it is well that it should be so discussed. As I pointed out on January 26 in the debate on the address, and again on February 25, in the debate on the plebiscite bill, parliament is the place for that discussion.

With reference to the specific question of enlistment for service overseas, I said, on February 25:

> When we find that we cannot raise the required numbers of men for enlistment overseas by the voluntary method, and it is absolutely necessary to raise more men by other methods, then we will make our decision, present it to parliament and have it discussed on its merits.

Unless the question of conscription for overseas service is to be twice debated, that, as I see it, is the stage we have now reached. The government is making its policy with respect to the raising of men for service overseas, fully known. We are presenting that policy to parliament, and, as I have just said, we welcome the opportunity of having the whole question discussed upon its merits.

In order that the government may have the power if required to resort to the compulsory method of raising men for service overseas, if it is found that men in the numbers required cannot be raised by the voluntary method, as well as for the other reasons I have mentioned, the government has reached the decision that it should now ask parliament to amend the National Resources Mobilization Act by the deletion of section 3 of the act.

If the powers for this purpose are to be conferred upon the governor in council at all, it is well they should be given as long as possible in advance of the time at which it may become necessary to exercise them, should it ever become necessary so to do. Also, it will, I think, be generally agreed that discussion on so important a subject should

not be left to a time of crisis. As between debating the issue now or later on, obviously the wisdom and advantage is wholly in favour of the earlier moment.

What really is important is that the government's policy should be fully known, presented to parliament, and agreed to by parliament before any action is taken. In this way and in this way only, the people's representatives in parliament can be afforded a full opportunity to discuss the whole subject upon its merits.

While not seeking the deletion of section 3 because of any present need of applying conscription for service overseas, the government is desirous of having the power immediately to move some of the men who have been called up and trained under the National Resources Mobilization Act, to Newfoundland and possibly to other islands in the western hemisphere, and to territories adjacent to Canada, including the territory of the United States. If that power is to be exercised under authority of parliament, apart from the authority contained in the War Measures Act, the section would have to be immediately amended. The amending of the section to any extent would, in the light of discussions that have already taken place, open up the whole question of conscription, and we should have here and now a full debate thereon. As I already have said, I am certain that with war on every side, hon. members of parliament would not wish two debates upon the subject of conscription when one should suffice, and I am even more certain that the people of Canada would not view with patience any such action on the part of their representatives.

There remains the question as to how, should the necessity of resorting to compulsion for service overseas arise, the government proposes to proceed in exercising the powers which parliament may confer. Here, again, the government intends to continue the practice which it has followed under the powers it at present possesses under the National Resources Mobilization Act.

The decision of the governor in council will be communicated to parliament in exactly the same manner as orders and regulations are communicated to parliament under the act as it stands. The procedure, in this particular, is set forth in section 5 of the act, which reads:

> 5. Every order or regulation passed under the authority of this Act shall be tabled in parliament forthwith if parliament is in session and a copy thereof sent to every member of the House of Commons and of the Senate; and if parliament is not in session, then every such order or regulation shall be forthwith published in the *Canada Gazette* and copies thereof sent to every member of the House of Commons and of the Senate forthwith; provided that any of the steps specified in this section may be omitted or deferred if the governor in council considers such omission or deferment necessary in the national interest having regard to the special circumstances.

Clause 5 was inserted in the mobilization act only after very careful consideration of the situation as it existed at the time the act was passed. It must be apparent that the reasons which governed at that time, as to the procedure to be followed by the administration in exercising the powers given to the governor in council under its provisions, would obtain with equal, if not greater force as the war situation becomes more critical.

I notice that it has been said, that once the amendment is adopted, the decision respecting conscription for overseas service will rest solely with the military authorities. I wish, therefore, to make it wholly clear that action taken under the act as amended, must be authorized by order of the governor in council. In other words the decision will be the decision of the cabinet.

On February 25 I gave to parliament a very clear statement of the factors of which account would be taken by the government in reaching a decision. These were known to the people of Canada at the time they were being asked to give the government a free hand.

Replying to a question of the leader of the opposition as to what the government was going to do in certain eventualities, I said, as reported on page 830 of *Hansard* of February 25, 1942:

> Let me answer the question first of all in a broad way. The government is asking the people for a free hand in order that it may do in the circumstances as they may arise what is most in the interests of the people of Canada. We wish to make Canada's war effort as effective as it can possibly be made. What we shall do at any particular time will depend upon the course which we think at the time is necessary and advisable and most effective in Canada's war effort. That decision is not going to be made in the light of any one factor. It is going to be made in the light of all conditions as they exist and as they are known to the government at the time. . . .

And later:

> The government is going to do the thing that it believes is going to further to the uttermost Canada's war effort, all circumstances considered. May I say that when I say "all circumstances considered," I have in mind the conditions as they may exist in respect to the war in different theatres and the conditions that may exist in Canada itself.

As to the right thing being done at the right time and in the right way, it seems to

me that necessarily comes to be a matter of the degree of confidence which parliament and the people have in the administration charged with the responsibilities of carrying on the war.

In most controversies, there are those who take extreme views. They want everything their own way, and if not allowed to have their own way, they begin to threaten and abuse those who venture to hold an opinion contrary to their own. They become impatient even of a consideration of a question upon its merits, or the effect their attitude may have upon the well-being of others.

In national affairs, this sort of attitude is bad enough at any time. In times of war, however, where the preservation of national unity is of first importance to the war effort of the nation, and where the issue is the most controversial in a country's history, the insistence, by any considerable portion of the population, upon an extreme position is almost certain to be fraught with the gravest possible dangers to the state.

Surveying the field of public controversy on the issue of conscription for service overseas, as it has been reflected in the press, and as doubtless it will find expression in this House of Commons, there would appear to be three general views, two of them diametrically opposed. The first is that conscription for service overseas should be inaugurated at once, that nothing less will suffice; the second is that conscription for service overseas should not be inaugurated under any circumstances. In other words, there are some who want conscription for overseas service, and this at once even if it is not necessary; and some who say they won't support conscription for overseas service at any time no matter how necessary it might be to help to save our own country. Each of these is a very extreme view and attitude. Neither extreme, I believe, should be permitted to prevail.

There is, fortunately, a third view—a view which I believe, accords with the opinion most generally held throughout the dominion. It is that conscription for service overseas should be inaugurated only if and when, in the opinion of the government, it becomes necessary to the security of our country and to the maintenance of its war effort. That view is the one which is held by the government. It represents the government's policy with respect to conscription for service overseas. In a word, that policy may be described as not necessarily conscription but conscription if necessary. Considering all relevant circumstances, I submit that no other policy will serve to keep Canada united, or to further Canada's war effort in the manner which, at this time of war, will best serve the interests of Canada, the interests of the British commonwealth of nations, and of the other united nations which are linked together in the common cause of freedom.

Knowing the disastrous effect upon Canada's war effort which a controversy concerning conscription for service overseas would occasion in Canada, to say nothing of the problems to which the enforcement of such a policy might give rise, the government, I need hardly say, has done all in its power to prevent our country from becoming divided over the conscription issue. It has done so without sacrifice in the slightest particular, of any step essential to an all-out effort. It would have been fatal to the unity of Canada for the government to have done otherwise. It lies beyond the power of the government to prevent an issue from arising. But it would be equally fatal for the government not to continue to do all in its power to prevent the issue becoming one which could ever impair the efficiency of our war effort and the magnificent record our country has already achieved, and which every citizen of the dominion is justified in viewing with the utmost pride.

I cannot believe this parliament is going to permit that unity to be destroyed by a political quarrel over a question of the method by which men are to be raised for overseas service. Canada, and Canada's future, is far more vital than any question of conscription. It is not for me to tell any hon. member how he should proceed in presenting the issue to his constituents. I do believe, however, that the issue of conscription for overseas service would soon vanish from the realm of political controversy if those who prefer conscription for service overseas would say to their constituents: "There are thousands of patriotic Canadians who, for reasons that are readily understood, are opposed to conscription for service overseas and that we should be prepared, at this time, to take those reasons into account"; and if those who are opposed to conscription for overseas service would say to their constituents: "I prefer the voluntary system and I will do my utmost to make it work, and I appeal to you to do the same; but, if conscription is ever needed for Canada's sake and for Canada's future, I will not oppose its application."

Both might say to their constituents: "We are fighting this war as one free and united people against an enemy who seeks first to destroy our unity so that later he may take away our freedom and our country itself. In

the face of that terrible danger, we cannot afford to have any differences that it is at all possible to avoid."

In the whole history of the world, no two peoples have ever lived so long in such close association with so little friction as those of French and British descent in Canada. In a century of political union we have built a nation which stretches across half a continent. We have conquered the wilderness. We have achieved great material progress. We all have become deeply attached to one common homeland. We have accomplished miracles in order to help defend our homeland against a ruthless enemy. No one will ever make me believe that in the hour of testing, the achievement of a century is to be imperilled by permitting any issue to arise which might threaten our national unity, and that in the hour of its greatest danger and in the time of gravest crisis for all mankind.

I am sure I need not ask hon. members of this house of all shades of politics and from all parts of Canada to weigh and consider with the utmost wisdom and prudence all that is involved of Canada's present and future in the national aspect of the problem which is now before us. It may well prove to be the most critical of any the parliament of Canada has ever faced.

Lest words of mine might appear to be biased or exaggerated, I should like to quote from an editorial which appeared in the Montreal *Standard* of May 30, and which is entitled "Crisis in Canada." It is but one of a number of editorials which have recently appeared in publications throughout Canada, which sense with clearness the real danger to Canada, should the right attitude not be assumed at this time by all whose responsibility it is to guide our country's present course and help to shape its future destiny. It presents an appeal which I believe will meet with a ready response in this House of Commons, and which I also believe expresses the true spirit of Canada. The editorial reads as follows:

> The Dominion of Canada stands at the most critical hour of its history. Its future as a nation depends on understanding between English and French-speaking Canadians. One cannot make Canada without the other. At the present moment there is a grave danger of a cleft being driven between the two that would not close over for generations.
>
> It is not a political situation, a crisis of corridor and caucus. It is a crisis of feeling. And a nation's life depends on the feelings of its people.
>
> Only if there is a strong will for understanding on both sides can we come through the difficult times that have arrived. Canada must come first in thought, in action and in words.
>
> English-speaking Canadians must force their minds to understand the background of the thinking of their French-speaking compatriots. They must realize that their fellows in Quebec are intensely loyal to Canada, that they hate the enemy and his works as much as anybody, that they have contributed mightily to the country's war effort. English-speaking Canadians must realize that the hard fact that Canada is fighting for her own survival in this war has not been brought home to French-speaking Canadians and that the lack has been intensified by words and actions not truly Canadian from many individuals; that there is a long history behind the recently expressed opinion of French Canada. They must guard against giving too great weight to extreme elements in Quebec.
>
> French-speaking Canadians in their turn, must grasp that the mass of their fellow countrymen are thinking of Canada, its safety and its future, are not putting other considerations above that of their own nation. They must understand the perils that beset their country, and realize that it is better to keep those dangers as far away from our own shores as possible. They must have forbearance for those who are prejudice-bound on the other side, and see that the feelings of the majority of other Canadians are fundamentally as their own.
>
> If the will to understanding does not grow on both sides, Canada is heading into disaster. If the will swells on both sides, Canada will play her full part in beating back the enemy that seeks her life, and will be assured of a future as a nation worthy of the two great peoples, each retaining their own strengths, united to form a whole that will be an example to the world.

And this brings me, if I may be permitted to do so, to say just a word upon the duty which hon. members owe alike to their constituencies and to Canada as a whole. I know there are some who feel that as a majority in the constituencies they represent voted "Yes" or "No" on the plebiscite, they are under an obligation to take a particular stand in the present debate. I hope I made it sufficiently clear just exactly what it was on which the electors were asked to express and did express their opinion. It is not only the right but it is a duty of hon. members to interpret the view of their constituents, but it is equally a duty in so doing to see that a construction is not placed upon their views which was never, and could never have been intended. There is above all else a duty which every member owes to his constituency and to the country, once he is returned to parliament and that is to exercise all that is possible of reason and judgment in reaching a decision upon questions of supreme national interest and concern.

Here may I ask the house to permit me to cite the opinion of one whom the parliament at Westminster for more than a century and a half has been proud to acknowledge as not

less outstanding among its authorities on political obligation than as a leader in the art of parliamentary eloquence.

Addressing the electors of Bristol on November 3, 1774, Edmund Burke, in circumstances not dissimilar to those with which hon. members in our own parliament are faced at the present time, made the following declaration, the wisdom of which has been generally accepted by all democratic assemblies from that day to our own.

Certainly, gentlemen, it ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinion high respect; their business unremitted attention. It is his duty to sacrifice his repose, his pleasures, his satisfactions, to theirs; and above all, ever, and in all cases, to prefer their interest to his own. But, his unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you, to any man, or to any set of men living. These he does not derive from your pleasure; no, nor from the law and the constitution. They are a trust from Providence, for the abuse of which he is deeply answerable. Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

My worthy colleague says, his will ought to be subservient to yours. If that be all, the thing is innocent. If government were a matter of will upon any side, yours, without question, ought to be superior. But government and legislation are matters of reason and judgment, and not of inclination; and what sort of reason is that, in which the determination precedes the discussion; in which one set of men deliberate, and another decide; and where those who form the conclusion are perhaps three hundred miles distant from those who hear the arguments?

In our own country, it might need be three thousand miles.

To deliver an opinion, is the right of all men; that of constituents is a weighty and respectable opinion, which a representative ought always to rejoice to hear; and which he ought always most seriously to consider. But authoritative instructions; mandates issued, which the member is bound blindly and implicitly to obey, to vote, and to argue for, though contrary to the clearest conviction of his judgment and conscience—these are things utterly unknown to the laws or this land, and which arise from a fundamental mistake of the whole order and tenour of our constitution.

Parliament is not a congress of ambassadors from different and hostile interests; which interests each must maintain, as an agent and advocate, against other agents and advocates; but parliament is a deliberative assembly of one nation, with one interest, that of the whole; where, not local purposes, not local prejudices ought to guide, but the general good, resulting from the general reason of the whole. You choose a member indeed; but when you have chosen him, he is not a member of Bristol, but he is a member of parliament. If the local constituent should have an interest, or should form a hasty opinion, evidently opposite to the real good of the rest of the community, the member for that place ought to be as far, as any other, from any endeavour to give it effect.

That opinion never carried more weight in any assembly than should be attached to it by this House of Commons as we enter upon the present debate.

I turn now from a consideration of the amendment, as such, to a consideration of the question of conscription for overseas service which it raises. You will recall I stated that the plebiscite had three purposes. The first was that nothing should be allowed to obscure or impair the magnitude and balanced nature of Canada's war effort; the second, that the administration, subject only to its responsibility to parliament, should possess complete freedom to act in accordance with its judgment of the needs of the situation as they may arise in the prosecution of the war; and the third, which has a direct bearing upon the first two, that the government and parliament should not be bound by past commitments, but be free to discuss and decide on its merits the extent of the use of conscription.

The third purpose has already been achieved as a result of the holding of the plebiscite. The government and parliament are no longer bound by past commitments. We are, therefore, in a position to discuss the question of conscription from the point of view of the other two purposes of the plebiscite.

Controversy over the question of conscription has, I believe, obscured the magnitude and balanced nature of Canada's war effort. Unless the controversy can be ended, it will, I believe, impair the efficiency of our war effort.

The policy of the government is and has been the achievement of a total effort for total war.

Let me, therefore, outline briefly, so far only as the mobilization of man-power is concerned, some of the requirements that must be met in order to achieve a total war effort. Until the whole man-power picture is before us, we cannot see what effect the application of conscription for overseas service would have on the achievement of a total effort for total war.

The war programme for the period up to March 31, 1943, was outlined in all its aspects on January 26. That programme, in its objective, represents, in the opinion of the government, a total effort for Canada. By a total effort is meant the utmost effort of which the country is capable. On February 4, the Minister of Finance gave the reasons for believing that the government's war programme for

1942-43 would constitute the utmost effort of which the country is capable. The minister said:

> I believe that the programme which we plan should for the immediate future, the coming year, be a programme which will strain the human and material resources of this country to the limit. I have, therefore, agreed as Minister of Finance, to a war programme for the coming fiscal year which, in my opinion, and in the opinion of my advisers, is the extreme limit of what this country can do, having in mind its human and material resources.

By a total effort is also meant an effort so balanced in all its aspects that no essential task will be left undone because a disproportionate effort is devoted to some other task.

The achievement of a total effort involves much more than the raising of large numbers of men. It involves the most effective use of all the available resources of the nation, material as well as human.

The mobilization of human resources, of man-power and woman-power, for a total war effort is far more complicated than is yet generally realized. It is not merely a question of raising men for the army, which was the main problem in the last war.

It should not be forgotten that Canada has only 11½ million people, of whom a considerable proportion are children or old people who cannot engage in active war service. From our limited population we must provide:

1. Men and women to perform the essential services without which life could not go on: such as the manufacture and distribution of the necessaries of life, essential transportation over great distances, and the production of food for our own people.

2. Men and women to produce food, not only for our own people and our own armed forces, but also to help feed the people of Britain and other allied countries which cannot produce all the food they need for themselves.

3. Men and women to produce the machines and munitions of war for Canada, for Britain, and for the other united nations.

4. Men and women for service in all three of the armed forces.

All these man-power needs must be satisfied from one man-power pool. It is important always to remember that the total man-power is limited. If too many men are taken from one service there will not be enough left for some other service. All man-power demands must be kept in balance.

When asked in the House of Commons last November what was the ultimate objective of man-power which it was hoped Canada would contribute, the Minister of National Defence replied, quoting words of my own, that Canada was determined to contribute "to the utmost of her strength". The minister added these significant words: "By an all-out contribution, I am not talking about divisions alone; I am not talking merely of squadrons, of ships, of production, of finance; I am talking about a balanced programme which represents the very best and most that Canada can do. That is the ultimate objective." That, may I say, is the ultimate objective as I also understand it.

It should also be remembered that the demand for man-power is continuous. The armed forces require reinforcements, and will continue to require them until the war is ended. As still more war plants come into production there is a growing demand for labour to man them. Labour is also required for the construction of defence works, such as airports, coastal defences, military highways, et cetera, many of which on a wide scale have become increasingly urgent because of war in the Pacific. There is a limit to the numbers of men who can be drained from the farms and from essential services without paralyzing the life of the community. The government must take account of all these factors in planning and organizing the mobilization of man-power.

A vigorous effort, as I have pointed out, has been made to identify conscription for overseas service in the army with a total effort for total war. The fact that it is conscription for the army, rather than for the navy or for the air force, which is made the symbol of a total war effort shows clearly that its advocates continue to think more in terms of the last war than of the present war.

I should like, therefore, to indicate the proportions of the problem of mobilizing the men for the army enlisted for service anywhere in relation to the total problem of man-power mobilization.

On February 10, the Minister of National Defence stated that the estimated man-power requirements of the army, for service anywhere, from January 1, 1942, to March 31, 1943, a period of fifteen months, were 90,000 to 100,000 men. Of that number over 50,000 had enlisted by the end of May. That is in a period of only five months. These figures show clearly that, at the present time, the voluntary system of recruitment is functioning adequately.

In the same period of fifteen months it is estimated that 13,000 men will be required for the navy, and from 70,000 to 80,000 for the air force, a total roughly equal to the estimate

of the number required for the army for service anywhere overseas. There is, however, no suggestion that Canada is not making a total effort because the men for the navy and the air force are not raised by compulsion.

It is also estimated that, in the present year, at least 100,000 additional men and women will be needed in war industry. It is not suggested that these men and women must be recruited by compulsion in order to achieve a total war effort.

It is surely time that we began to call things by their right names. The total mobilization of man-power means the most effective use of all the men and women available: it has nothing whatever to do with the method by which that mobilization is achieved.

When it is realized that at the beginning of the present year some 600,000 men and women were directly engaged in war industry, and that by the end of the year the number will probably exceed 700,000; when it is realized that up to the end of May of the present year, over half a million men had already enlisted in the three armed forces for service anywhere in the world, and that enlistments in all three services are continuing at a satisfactory rate; when it is further realized that thousands more who have been recruited by the compulsory method are serving in home defence units and that their numbers are growing every month; when to these are added the hundreds of thousands of men who are necessarily employed in essential heavy industry, in construction, on the railways, on the farms and as merchant sailors, it is surely apparent that Canada is rapidly moving towards the total mobilization of man-power for a total war effort.

In order to assist in shifting the man-power and woman-power of the nation as largely as possible from civilian activities into the various forms of war service, the government instituted, some months ago a flexible and comprehensive scheme of national selective service. In this scheme voluntary and compulsory features have both been incorporated.

The government does not propose to resort to compulsion simply for the sake of compulsion. Compulsion has not been made an end in itself. It is only in the dictator states, and in the countries they have conquered, and which for the time being are under their control, that compulsion is made an end in itself, as well as a means to an end. Here, in Canada, we, thus far, have had resort to compulsion only where, all circumstances considered, it was believed that compulsory means would contribute to a greater total effort. There has, for example, been no need of compulsion to secure all the men who can be taken into the navy, or to secure all the men required for the air force. No one has suggested that the application of conscription would be desirable in order to raise men for either of these services. Compulsion has not been required to raise the men needed for the active army which is enlisted for service anywhere in the world. There has so far been no need of industrial conscription to provide the workmen required for war industry.

For the armed forces, compulsion is, of course, applied, and, since October, 1940, has been applied for service in the army for the territorial defence of Canada. The decision, announced on March 25, to mobilize the 7th and 8th divisions has considerably increased the demand for man-power for home defence service. This demand is being increasingly met by resort to compulsory training and service.

In a war for the preservation of freedom, it might well be asked how can the use of compulsion be justified in any aspects of the war effort

The reason for resorting to compulsion of any kind in the prosecution of the war is set out in formal language in section 2 of the National Resources Mobilization Act which empowers the governor in council to require "persons to place themselves, their services and their property at the disposal of his majesty in the right of Canada, as may be deemed necessary and expedient for securing the public safety, the defence of Canada, the maintenance of public order, or the efficient prosecution of the war, or for maintaining supplies or services essential to the life of the community."

Translated into the language of the man in the street, that means that the government has the power to conscript any property, any wealth, or the services of any individual in Canada, whenever they are needed to make Canada stronger to resist attack, and to help Canada to do its full share to defeat the enemy.

Compulsion, in any form, should be used in the war effort only if it will make Canada stronger, and add to Canada's part in winning the war. Here let me repeat that compulsion is regarded by the government, not as an end in itself, but as a means to an end. That end is a total war effort.

As I pointed out to the house in my statement on national selective service:

> In those aspects of our war effort in which voluntary methods are working satisfactorily, voluntary selection including a measure of choice by the individual of the appropriate field of service, has been and will be continued. The more expensive and complicated methods of compulsion have been employed, only where

it is felt that compulsory selection is necessary in order to increase efficiency in the prosecution of the war. Compulsion, however, 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.

The application of conscription to service in the army overseas is only one aspect of the far wider question of the use of compulsion to secure an all-out war effort.

The next question is: Would the application of conscription to military service overseas at the present time make Canada stronger, or add to Canada's war effort?

How could resort to conscription for overseas service add to our war effort? The one way, in which so far as I can see, it might add to our war effort, would be by securing more men for service in the army overseas than can be secured by voluntary means.

If the size of the overseas army was unlimited; if we did not require men urgently for other purposes as well as for the army; there might be a possibility of increasing the total war effort by conscripting men for the overseas army.

But the fact is we can only spare a limited proportion of our total man-power for the army overseas. In addition to our army overseas, we need men for a great and growing army which must be kept in Canada or in the adjacent territories for the defence of our home base, and for the joint defence of this continent in cooperation with the forces of the United States. The torpedoing in recent weeks, by German submarines, of ships in the waters of the St. Lawrence, and the destruction since the beginning of the year of many vessels off the coasts of Nova Scotia and New Brunswick, the attack upon the Aleutian islands by Japanese ships and planes, the growing submarine menace in the Pacific, should surely have made it plain to everyone that apart from our forces overseas we need men for a great and growing air force and navy and for a much larger army, to be employed in the immediate protection of our own coasts and territory. We need men for our war industries which are still expanding. Our farms and essential civilian services cannot be left without man-power. The total man-power of the nation must be divided up among all these services.

What is the position of the Canadian army in regard to man-power?

The units already overseas are up to strength and adequate reinforcements are available. The new units, destined for overseas service, are being rapidly recruited by voluntary enlistment. Additional volunteers, enlisting for service anywhere in the world, are adding steadily to the numbers available for reinforcements.

The units destined for home defence service, recently increased in number, are formed or are being formed partly of volunteers and partly of men called up for compulsory military service.

Men are being called up for compulsory training and service as fast as they can be trained and equipped. These men receive the same training, in the same camps, as volunteers.

Clearly there are no grounds for asserting that compulsion is needed at the present time to secure the men required for service in the army overseas. There is nothing to indicate that its application now would add anything to Canada's total contribution to the winning of the war.

Here may I quote a second significant statement made by the Minister of Finance, on February 4. It is equally relevant to-day:

> One issue between the government and its more sincere opponents seems to me to be this: Will the continuation of the voluntary system for overseas service, at least for the time being—we have the compulsory system in many other lines of the war activity—make for a greater success in our programme than would its abandonment? I wish to say that neither as a member of the government nor as a member of the war committee of the cabinet, nor otherwise, have I been able to find any evidence that the abandonment of the voluntary system and the substitution of the compulsory system in respect to that part of our war effort represented by overseas army service would help at this moment in our war effort.
>
> Surely no one can deny that the voluntary system to date has functioned magnificently. In what single respect has it fallen down? Any question as to the success of the voluntary system for overseas service is not as to its success at the moment but as to its success in the future.

There is, I know, a widespread feeling that the voluntary system is unfair because it is thought to mean that the willing men see their duty and do it, while the unwilling hang back and evade their share of the burden and sacrifice of war. This is a perfectly natural feeling.

To bring about greater equality of service at a time of war, there might be, there certainly would be, justification for the immediate introduction of a system of compulsory service, if such a system were not already in existence. Compulsory service for the whole of Canada, over the whole of Canada is already a part of the law of the land. And make no mistake about it, the government is determined, as far as is humanly possible, to make sure that every able-bodied man

undertakes some form of direct war service. It may be on the farm; it may be in the factory; it may be in the forest or the mine; or it may be in the armed forces. But all must serve somewhere, and to achieve that end compulsion, where needed, will be employed.

There are some, I know, who believe conscription should be applied universally whether it is needed or not. There are others who believe equally strongly and equally sincerely that Canada can achieve a greater total effort by reliance, as far as possible, upon voluntary methods.

The government has accepted neither view in its entirety. It is our policy to use whichever of the two methods we believe, all factors considered, will give the best results.

The government has encouraged and intends to continue to encourage voluntary service in the armed forces, as well as in a host of other voluntary activities which are contributing to Canada's all-out effort. The government intends also to use compulsory selective service measures to the utmost limit required to ensure not only an adequate supply of recruits for the army, but also to provide, as far as possible, an adequate supply of man-power for all phases of our total war effort.

But what conceivable object would be served by resorting to conscription for service overseas, not because men in sufficient numbers were not available under voluntary enlistment, but just in order to employ the compulsory rather than the voluntary method of enlistment? There are those who ask why the willing men should be sent, while the unwilling are allowed to stay at home. That is a question which should be answered. Because of our small population, Canada's army overseas can never be a very large army and every Canadian should want it to be the best army possible. It is no military secret that willing men make better soldiers, on the average, than those who are compelled to serve. Moreover, the army overseas is composed entirely of volunteers. Its spirit and morale will undoubtedly be higher if its reinforcements are also volunteers.

Why, some also ask, should volunteers be sent into danger while men called up for compulsory service remain in safety in Canada? From the beginning of the war, I have stressed both tasks of the Canadian army. On the one hand, it must help to defeat the enemy abroad; on the other it must defend our own and neighbouring territory. Events to-day are showing us clearly that the second task may in the course of time, and that in no distant future, become exceedingly dangerous. If there were no danger, there would be no need of any army in Canada!

[Mr. Mackenzie King.]

The army must employ the volunteers in some theatre; it must also employ the men called up for compulsory service. Surely it is only common sense to avoid any excuse for controversy, and consequent weakening of our total effort, by allowing those who volunteer for service anywhere to proceed overseas, so long as they are available. To reverse the process would certainly not increase our total effort.

Apart altogether from any consideration of the sharp cleavage of opinion in Canada on the question of actually resorting to conscription for service overseas, there can be no argument that Canada will have a better army overseas, if it can continue to be maintained and reinforced by volunteers.

There is one other observation I should like to make, and I make it because I know it is very much in the hearts and minds of many of those who have volunteered for service overseas. It is that an outstanding feature of Canada's war effort is that everyone who has contributed and is at present contributing his services overseas has done so voluntarily. That is something that should never be forgotten. It is a record which all Canada may well view with pride and, if at all possible, it should be maintained. It embodies all that is noblest and finest in the spirit of our young country. It is the particular pride of every man who has volunteered for service overseas whether he be in the army, the navy, the air force, or, in the latest of our volunteer forces, the Canadian corps of fire-fighters to Great Britain.

I doubt if we have yet begun to realize how much Canada's reputation has grown in other parts of the world because, at the outbreak of war, Canada decided of her own free will to participate in the struggle. I do not believe that we appreciate how much is added to Canada's strength in the eyes of the world by the fact that every man serving overseas in the armed forces of Canada is there of his own free will and at the dictates of his own conscience. It is the glory of Canada that we rallied freely and at once to the call of freedom. If we can, to the end, without aught of sacrifice to the common cause, maintain overseas our free participation in the common struggle for freedom, Canada and the gallant young men who have freely offered their lives will preserve that honour and that glory for all time. Surely, this is no unworthy ambition for the people of Canada.

It cannot be denied that the issue of conscription for service overseas is the most controversial issue that has arisen in Canada since confederation. That, I think, will be generally admitted. At any rate, if there is an issue that has occasioned more dissension

in Canada; that has left a greater legacy of suspicion and distrust; that has inflicted a deeper wound in the side of the nation, I should like to be told what it is, for I confess I do not know. The knowledge of this fact caused the leaders of all political parties and others who had the unity of the country at heart, before the outbreak of war, and when Canada entered the war, to see to it that this issue was kept in the background. On all sides, an honest effort was made to see that it should not be permitted to arise. That attitude was maintained in public discussions throughout the general elections of 1940, and I am happy to say up to just about a year ago.

I do not propose to go at this time into the reasons which have since occasioned a change of attitude on the part of some. I readily admit that it may have been due in part to the changed character and world-wide scope of the war. Indeed one of the purposes of the plebiscite, as I have so frequently said was to make the way clear for a consideration, on its merits, of the question of conscription, in the light of the changed conditions.

When Canada entered what, in September, 1939, most people believed was going to be "just another European war," it was recognized if the war were not successfully ended, our national security would be menaced. But very few contemplated a war which might come to threaten our national existence. That is the position Canada is in to-day. We are engaged with the other free nations of the world in a war of survival.

The fact that the war has reached world embracing proportions; that there is combat on every ocean; and that there is certain to be conflict on every continent; that Canada is by no means exempt from the possibility of attack, at any moment, and even of invasion, are not reasons why the government should abandon a policy based upon considerations of the preservation of national unity. It is the strongest of reasons why the government should give the most careful consideration to all possible consequences of any change of policy which might result in division and a weakening of national unity.

I doubt if any of us begin to realize how grave the responsibility has become of determining the disposition of the country's armed forces, as a consequence of the changed conditions resulting from the entry of Japan into the war. Immediate danger no longer threatens Canada only from the east. It threatens equally from the west. Let that danger assume formidable proportions, and I ask what will be said of a government, or for that matter, of a parliament, or of a press, that continues to look only across the Atlantic to one enemy against which this country has to be protected, and fails to recognize that the strategy of the combined enemy forces may well involve an attack at any moment from across the Pacific.

In deciding upon the disposition of the armed forces, the government has to consider from day to day, just what proportion of its forces our country is justified in sending overseas, and what proportion it is necessary to keep at home. That question has had to be considered from the outbreak of war but, until Japan entered the war, it did not begin to have the importance it has now come to have.

It is perfectly clear that the enemy will have to be destroyed overseas if this continent is not to be the field of the final conflict, or possibly even an immediate field of conflict, with Canada the scene of the first invasion. It is equally true that in the event of an attack, come when it may, and from whichever direction it may, unless we have forces adequately equipped, and trained in sufficient numbers to prevent the enemy from getting a foothold upon our soil, our entire national existence will be imperilled. While we must continue to do all we possibly can to assist in accomplishing the defeat of the enemy away from our shores, we must also be in constant readiness to meet and hold him at bay should he attempt an attack upon our shores. What guarantee have we that the enemy having begun to destroy shipping off the coasts of the maritime provinces, in the gulf of St. Lawrence and in the river itself, and having attempted to gain a base for operations against the Pacific coast, we may not witness at any moment bombing of our harbours and cities alike on the Atlantic and Pacific coasts, and attempts to destroy railway terminals and facilities, munition plants, aerodromes and other military targets in any part of the country.

With those possibilities before our very eyes, and let me tell this house as I have told the country time and again, they are possibilities which are by no means remote, can we afford to allow any question of conscription to become the occasion of a political battle in parliament, or of political warfare throughout the country; can we allow the country itself to become distracted by and divided over such an issue? Surely the only reasonable course to take in dealing with this question is to leave to the government, subject to its responsibility to parliament, to decide what disposition it may be best to make between the forces to be sent abroad and those that are

to be kept at home, and what means it may be necessary to take to keep up the strength of the armed forces which are already overseas.

The people of Canada have clearly indicated their desire that freedom to decide on these matters should be given to the government, subject only to its responsibility to parliament. It is that freedom which, by the amendment, the government asks should now be given to it by parliament.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, in the remarks I propose to make this afternoon I shall proceed in a manner contrary to the example set by the Prime Minister (Mr. Mackenzie King). I hope to be as brief as possible, and yet cover most of the aspects of the question now before parliament. However, since I cannot promise to conclude before six o'clock, and since I would desire to be relieved of the obligation imposed upon me of concluding before the adjournment, this being a short day, I would ask the indulgence of hon. members to be permitted to speak for a few minutes after six o'clock, if necessary. I should like to conclude to-day, rather than move the adjournment of the debate.

The speech of the Prime Minister this afternoon and the bill at present under discussion constitute the answer of the government and the Prime Minister to the overwhelming mandate given by the people of Canada in the plebiscite. I have listened with undivided attention to the speech of the right hon. gentleman this afternoon, and I confess at once that it left me cold, and will send a chill of disillusionment down the spine of all loyal Canadians who believed that once the moral limitation so strongly stressed by the Prime Minister in his speeches in this house during the debate on the plebiscite bill, and more particularly in his broadcast addresses, was lifted, the Prime Minister would practise total war in deed and in truth.

Instead, we are told that while the government is freed from its self-imposed vow, it has no present intention to put into immediate effect the objectives which the great mass of affirmative voters believed would be government policy. Indeed they may never be put into effect at all. We are told that should conscription be decided upon, the government will not return to parliament with any new measure, or for any new debate on the principle. That, I submit, is skilful political strategy—just such strategy as we should expect from the right hon. gentleman, who, above everything else, desires to preserve his political position.

[Mr. Mackenzie King.]

Such a position is based on the policy of political expediency which has been characteristic of government policy with respect to the principle of complete national selective service ever since war was declared. It is the same old policy of appeasement—a game which the Prime Minister has played to the limit, with the avowed purpose of maintaining national unity, but which, correctly interpreted in practice, means unity of the Liberal party, and nothing else.

At this time in our history I say that policy has failed, and to-day as a result of the Prime Minister's own political strategy, this nation is more divided than at any time in its history. The Prime Minister's speech, and the attitude which he has taken with respect to conscription remind me of those lines in Gilbert and Sullivan's comic opera, "Utopia Limited", in which the princess presented the distinguished barrister, Sir Bailey Barre, Q.C., M.P., to her father, the king, in these words:

A complicated gentleman allow me to present,
Of all the arts and faculties the terse embodiment,
He's a great arithmetician who can demonstrate with ease
That two and two are three, or five, or anything you please;
An eminent Logician who can make it clear to you
That black is white—when looked at from the proper point of view;
A marvellous philologist who'll undertake to show
That "yes" is but another and a neater form of "no".

Those eight lines describe the Prime Minister's attitude and action more accurately and aptly than any words of mine could do.

At the outset, I desire to make it plain that I do not intend to discuss the merits or demerits of conscription this afternoon beyond saying that I believe in the principle. However, I desire to make some observations with respect to the result of the plebiscite. By a vote of approximately two to one in the aggregate, and by eight provinces to one in terms of geographical subdivisions, the people of Canada have given release to the Prime Minister and his government from the commitment which he and they made to the electors in 1940.

Mr. GARDINER: And the opposition.

Mr. HANSON (York-Sunbury): I gave no commitment. The hon. gentleman can speak only for himself, not for me.

Mr. MACKENZIE (Vancouver Centre): Your leader did

Mr. HANSON (York-Sunbury): Eighty per cent of the voters in eight provinces voted in the affirmative.

The result achieved was by no manner of means accomplished solely through the efforts of the Prime Minister and his colleagues. It was brought about by the united effort of Canadian citizens of every shade of political opinion.

We, of the opposition, disliked and deplored the procedure of the plebiscite; we felt irked at the position into which we were thrust; but, recognizing a patriotic duty, we laboured unitedly to achieve an affirmative result. In assuming that attitude, I know we did the right thing—the patriotic thing; and I believe we contributed mightily to the result.

If ever there was an occasion upon which a political party placed the interests of the country before party, it was when the Conservative party—with, I am convinced, but few dissenters—went into the constituencies across Canada, and organized and counselled the people to rise above party considerations and make a decisive affirmative vote possible. The Conservative party, as a whole, will forever have that to its credit.

I do not propose to enter into any detailed analysis of the plebiscite vote. Much has been said and written as to its significance. One thing I shall say: I regret more deeply than I can express the action of certain portions of our fellow-countrymen in voting contrary to the decisive and overwhelming expression of public opinion registered in eight provinces of Canada. The causes for that action can be assessed at another time, I do not propose to enter into a discussion of that now. The regrettable fact, clearly apparent from the vote, is that we have not, at this most critical juncture, complete national unity in Canada. That fact cannot be avoided; nor should we flinch from it.

But in the result of the vote there is no implication that this country should not do its full duty at this time. On the contrary, there are unmistakable signs that the people of Canada want decisive and immediate affirmative action.

Let there be no mistake about the will of the people as reflected by the plebiscite. Any effort to make it appear that the affirmative vote was nothing more than a release of the government and of parliament is not facing the facts as expressed at the polls. When the government is freed from its pledges, which release has been secured on the terms which the government itself defined, the very act which frees the government makes compulsory service at home and abroad the law of the land. That law of the land must be given effect to—are we to have a law and leave it on the shelf?—if not by this government, then by some other government. The will of the people must be respected. It is not what we thought but what the people thought when they voted "yes". What justification is there for establishing a principle if the constituted authority does not give effect to it?

We live, thank God, in a democracy where it is recognized that the will of the majority, as expressed at the polls, must prevail. That is the democratic course; that is the course which is essential if this nation is to survive. And that is the course counselled and urged by the public men who were the predecessors of my hon. friends opposite, the leaders of the Liberal party in this house a generation ago.

Recently I have reviewed the debates in this house in 1917 on the Military Service Act. During the course of those debates, Sir Wilfrid Laurier pleaded that the Military Service Act should be submitted to the people by way of a referendum. Here are his words, as reported in *Hansard* of June 18, 1917:

> . . . in British countries there is only one way, and the sovereign way, of meeting all these differences. It is to appeal to the country and to appeal to the whole country, not to one section, but to all sections, and when the country has pronounced then the question is settled and all must submit to the law.

Then I call particular attention to this passage:

> When the consultation with the people has been had, when the verdict has been pronounced, I pledge my word, my reputation, that to the verdict, such as it is, every man will submit, and I claim to speak at least so far as is concerned the province from which I come.

On the same day, June 18, 1917, Hon. Charles Marcil, a gentleman whom I was glad to call my friend in former years, a previous Speaker of this house, is reported at page 2431 of the same *Hansard* as saying:

> . . . I am prepared to submit to the verdict of the people loyally no matter what that verdict is because in British governed countries when the people have spoken we must submit to their verdict.

Another former speaker of this house, a former cabinet minister, and a leader of the Liberal party in the province of Quebec, Hon. Rodolphe Lemieux, added his voice in these words, to be found at page 2497 of *Hansard* of that year:

> . . . If a referendum is taken, whether it goes for or against conscription, the French Canadians . . . will abide by the verdict of the majority . . . will obey the law and fight the battles of Canada as valiantly as their fellowmen of a different race and a different creed.

I have referred to these debates in the hope that public men of this day will take the same stand, and will give to the people the same counsel and guidance.

May I pause briefly to beseech my compatriots in this country who are of French ancestry not to occupy an isolationist position. I ask them this question, and I do it with the utmost good will: Have you thought this matter through to the end? I fear not. I beg them while there is yet time to pause and think this thing clear through.

I come now to consideration of the principle of the measure before the house. Right at the outset, let us, squarely and honestly, face the facts. If there be any member of this house, or if there be any person in this country, who ever believed that, on the passage of this bill, the principle of selective national service for overseas will be put into immediate practice or operation, let me at once hasten to undeceive him. Such was never the intention of the ministry opposite, and such is not apparent from the observations of the Prime Minister to-day.

From the correspondence between the Prime Minister and the hon. member for Richelieu-Vercheres (Mr. Cardin) it is abundantly clear that such is not the intention and may never become the fact. I confess that the whole situation fills me with a sense of futility and unreality, a feeling which has not disappeared with the Prime Minister's statement this afternoon. At each stage I have been puzzled and bewildered as to what were the government's real intentions. You will recall that there have been four stages in connection with this matter; since the Prime Minister introduced the mobilization bill in June, 1940, we have had four homeopathic doses of conscription. Anyone who understands what I mean by homeopathic will know how small and meagre the doses are.

In his letter of May 9 to the Prime Minister, the former Minister of Transport, the hon. member for Richelieu-Vercheres, speaks of the bill as being the "new policy of the government," and in his reply the Prime Minister states: "There has, however, been no change of policy. No new policy has been adopted." My interpretation is that it is one step further, a continuation of a policy that was started two years ago and has now reached fruition save and except for one step which can come any time by the will and whim of the Prime Minister and the ministry. It is an extension of policy if it is not a new policy. When I arrive at that conclusion I ask myself, What then are we confronted with, and at what conclusions can we arrive, when two men who have participated in all the secret discussions which preceded this bill, differ as to its meaning and significance?

If the Prime Minister is correct, can anyone assert that this bill is anything more than shadow-boxing or window-dressing, or worse—procrastination?

If there has been no change in government policy I ask this question: Why does a trusted colleague of the Prime Minister resign his position in the cabinet?

The policy of this government, the policy of the Liberal party over twenty-five years, has been that under no circumstances—and I emphasize that—under no circumstances whatsoever should men be compulsorily drafted for service overseas. I think everyone within sound of my voice will agree with that statement. Certainly the hon. member for Richelieu-Vercheres (Mr. Cardin) will agree. He has been one of the most outstanding proponents of that policy, and I am sure he will not deny it. I am sure he will assert it on the floor of this house when he comes to speak in this debate.

If you, sir, and the members of this house want any corroboration of the assertion I have just made, regarding the policy of this government and of the Liberal party under the leadership of the right hon. gentleman for nearly twenty-five years, I have only to refer to the letter written a few days ago by the hon. Minister of Justice (Mr. St. Laurent) to an officer of a political association in his own constituency, in which will be found this statement:

> There is no intention for the time being to bring in conscription for overseas service, and I am sure that the present government would bring in such a measure only if it were absolutely necessary for our own salvation.

Note the words "for our own salvation"—not for world salvation, not for the salvation of the united nations, not for the salvation of democracy and Christian civilization and all the ideals for which we are fighting—no, for our own salvation. What a narrow, limited—I was almost going to say unworthy vision is there, my countrymen!

Further on in the same letter the minister wrote:

> I stated that I would be true to Mr. King as long as he was true to himself and to his record.

Is there anyone in this house who will say that when the minister wrote those words he did not know what was in the Prime Minister's mind? Is there anyone who does not know what that record is, and that the letter is a true interpretation of that record? Well, the

record speaks for itself. True, the tragedy of events has driven the Prime Minister step by step a long way until to-day we are to have the full and complete principle of compulsory national service on the statute book—compulsion not only for service of man-power overseas but in every other sphere of human activity. When this bill passes, the full principle of compulsion for everything will be the law of this country—make no mistake about that.

I desire now to return to a consideration of the bill. The Prime Minister has sought and secured from the people of Canada release from the restrictive policy enunciated in June, 1940—two long years ago. He now seeks full freedom from parliament.

It is true that this bill merely repeals the limitations imposed by the restrictive clauses of the act itself. That is all. But in law it means much more than that. As amended—and I want hon. gentlemen to mark these words—the National Resources Mobilization Act will be, in express terms and as an instrument of war policy, complete authority to the government to draft men and all the material resources of the nation and to utilize them for prosecuting total war, without let, hindrance or restriction. That is what it will mean. In a word, by virtue of all the legislation on the statute books—the Militia Act, the War Measures Act, and, when this bill is enacted, the National Resources Mobilization Act—the government of this country will be free to wage total war by total effort without any limitations whatsoever and to carry out in practice what is advocated in theory.

Mr. FRASER (Northumberland, Ont.): You would agree with that.

Mr. HANSON (York-Sunbury): I am stating what the legal position is and what effects will flow from it. The government will be clothed with the most complete and plenary powers, that parliament can delegate. That is the legal position. No democratic government in the world will possess greater powers.

Mr. McNEVIN: What is wrong with that?

Mr. HANSON (York-Sunbury): I am not suggesting that there is anything wrong with it. I hope the hon. gentleman will keep quiet and allow me to proceed. The government will then have at its hand complete authority to draft the man-power of this country for service in any and every capacity and in any and every theatre of war or other activity relative to the war. There is no manner of doubt about that. So, after thirty-two months of war, this government, under the leadership of the right hon. the Prime Minister, will have clothed itself with the full power of conscription of man-power for service in any and every theatre of war. This government has espoused the policy of conscription of man-power for service anywhere. That is the fact.

But whether the government will put those powers into full operation at once is quite another matter. While the man-power of this country will then be subject to compulsory service in any theatre of war, it does not follow that they will be sent now—in fact, it is quite clear that that will not follow—or in the immediate future or indeed at any time to any theatre of war beyond the territorial limits of this continent. In other words, it is one thing to have the power, and it is quite another thing to exercise that power. The government has that power; but it has given no indication that it will exercise it. In fact, it has indicated that it will not exercise that power and really wage total war with total effort now or at any other time.

From the Prime Minister's statement that there has been no change of policy, we can only understand that once he has secured full freedom from parliament he proposes to hold fast to his old policy, and not to use that freedom under any circumstances. Undoubtedly it is not the intention of the government to exercise the power which will be conferred upon them in the national interest and in the interest of total war. If this be government policy—and I think it is—then I suggest to this house and to the country that this bill is meaningless, that it is a snare and a delusion.

Let us have from the Prime Minister, instead of this battle of words that we heard this afternoon, a full and frank statement of the future course of the government. Let them say they will or they won't. That is what the people of this country want to know. There will be a roar go up in this country from one end to the other at this policy of appeasement.

Do they propose—I ask this question direct—to exercise the powers which this bill will give them, or don't they—yes or no? Let us know where they stand, and not continue to straddle the fence after thirty-two months of war.

Mr. ROWE: Or have another plebiscite.

Mr. HANSON (York-Sunbury): Yes, or have another plebiscite. If then they propose to use them, when and under what circumstances and conditions do they propose to use them? What are the future prospects and potentialities? Without a complete and rounded statement from the Prime Minister

of Canada's future war policy in this regard this house is left completely in the dark, and we are voting a blind confidence in the government.

One of the most significant of the Prime Minister's statements in his reply to his former colleague is this:

> Already it is desirable to extend the scope of service under the National Resources Mobilization Act to other parts of this continent and adjacent islands.

This statement was not then expanded, but it would appear therefrom that the position with which we are confronted to-day is that as soon as this bill is passed, action will be taken to dispatch men drafted for service to parts of this continent outside Canada and to adjacent islands. Indeed under order in council P.C. 4105 passed on May 15, authority has been granted to use two units on prisoner-of-war duty in the United States. But apparently for the time being no action will be taken to utilize the full legal and moral powers of the government to dispatch men compulsorily drafted to battle positions outside this continent.

Here then is what the position appears to be. In June, 1940, we had local conscription, and for a limited period of time—thirty days. What a farce it was! Then we had local conscription for four months—that was the second step—and still later for an unlimited period of time. Now and for some indefinite period in the future we are to have continental conscription. And then, finally, some day—we are uncertain as to when it will be, if ever—we may have full compulsory selective service for any and every theatre of war. It is going to take five bites at this thing, five different homeopathic doses, before we arrive at total war under the right hon. gentleman. If that is not playing the game of expediency, I do not know what is.

Mr. ROWE: "Wait and see".

Mr. HANSON (York-Sunbury): If that is giving the lead to the people of Canada, then God forbid we should have any more leads of that kind. It is utter lack of leadership on a great principle at a time of national emergency. The government is only temporizing. Expediency, not principle, is still the guiding star of this administration.

In his reply to his former colleague the Prime Minister spoke again, as he did in his radio broadcasts, of the false impressions created in other nations by reason of the restrictions upon our man-power, and he gave this as a reason why the mobilization act should be amended. Undoubtedly he was referring particularly to the United States.

I ask this question: Does the Prime Minister intend to assert that the mere repeal of the limiting sections of the mobilization act, without the full utilization of the powers which such appeal will confer, will remove those so-called false impressions? He knows they will not.

The reason for the impressions which unfortunately do exist in the United States regarding our war effort is not found in any legal restrictions on our power to send draftees outside of Canada. These impressions exist because of the fact that we do not send men outside of Canada. The people of the United States are interested only in the facts of the situation; they are interested in what we do, not what we profess. The fact remains, apparently, that we will not dispatch outside this continent men raised by compulsory methods. Surely our position will become even more incomprehensible to the people of the United States. They know now that the people of Canada, by an overwhelming vote, have given the government freedom, absolute and full to send drafted men anywhere, and they are confronted with the spectacle of the government apparently refusing to utilize that freedom. How can any average citizen of the United States come to any other conclusion but that the people of Canada are ready enough for an all-out effort in every theatre of war, but that the government of Canada still holds back? That is a true statement of the position. Rather than removing this false impression to which the Prime Minister alluded, his actions are only intensifying and confirming those impressions in the United States and in the other united nations. If we are to place the weight and importance upon the opinions of the citizens of other nations which the Prime Minister urged us to do in his broadcasts, surely he himself does not by his actions carry out his argument.

I come now to another aspect of this matter. This measure, without any indication of action proposed thereunder, perpetuates the anomaly of two armies. At this most critical juncture can we afford the anomaly of two armies, one of which is free to serve in any theatre of war while the other may be sent only to positions on the North American continent or islands adjacent thereto? Can we afford the duplication which the existence of these two types of army recruits involves? Surely now, if ever, is the time to do away with the sham and hypocrisy raised by isolationist theories. Surely now is the time to create one powerful striking force capable of operating in any theatre of war in which it may best be utilized.

Back of the government's policy is the selective service programme announced by the Prime Minister on March 24 last. I have indicated to the house my views with respect to that programme, and I shall not reiterate my arguments here. In my view that programme is the back-door approach to selective service. It bears no resemblance to the true principles of selective service. It is unworthy of a proud nation. The whole basis is "enlist or starve". It is the indirect, the hesitant, the faltering method, not the open, clear-cut, direct method calculated and designed to bring into full operation the true principle of selective service, which means simply the allotment of each person to the task for which he is best fitted. That is the true principle of selective service.

I appeal to the government to adopt the direct method, boldly to take the honest course, not the back-door and indirect method, and to bring into operation a true and worthy system of compulsory selective service without limitation or restriction. I appeal to them to abandon, to cast aside these palliatives, these hesitant steps, these half measures, these appeasement policies—for that is all they are. I urge them in all earnestness to institute at once a firm, courageous straightforward policy, a policy designed to ensure that each citizen of this country shall render to the full that war service for which he or she is best qualified. The nation will support that. Surely in our progress to and attainment of full nationhood we have been led past the unsteady, creeping, faltering stages of our existence. Surely the Canadian people have given ample proof of their ability to stand firm, and of their willingness—yes, their eagerness—boldly and fearlessly to march forward to meet and overcome, wherever he may be found, the enemy who threatens to destroy not only their security but the security of all Christian civilization. What we need to-day, as we have needed all along, is courageous national leadership. We have never had it since the war began.

As in the past, my position to-day is that a full, all-out effort on the part of Canada is possible only if all the material resources and man-power of the nation are fully mobilized, without restrictions of any kind. I believe now, as I have believed from the outset, that the highest efficiency in carrying out such a programme can be guaranteed only by the establishment of a truly national government, a government composed of the best men in Canada, representative of all shades of opinion, but united by a common and single purpose—the waging of total war by total effort. I have urged this view many times in this house. I emphatically reiterate it to-day. More than ever am I convinced that unity of purpose and action will be achieved only under such a policy and position.

We are all agreed that we cannot win this war, that Canada cannot do her full share toward winning this war, without what is termed "total war effort". I say to the government now, and I say it with great sincerity, that all of us know in our hearts that we cannot have total war effort without unlimited selective national service. The terms are synonymous.

The mere drafting of men for military service because they happen to be of military age is not the only need of this country. It is only a portion of the need. If our war effort is to be effective and sincere, what we do need, and need urgently and desperately, is selective national service, without limitation, geographical or otherwise, with all its implications and ramifications in every sphere of human activity.

And what does selective national service imply? It implies, it means, simply and solely, the practical application of total war in a sensible, just, and effective manner. It means in a word, that every man among us shall be called upon to perform the right war job at the right time, in the right place, in the right way. It is "total war" in practice. And there can be no total war without it. To the government I say this: "It is your responsibility to recommend to parliament measures designed to achieve that end". And I say to them further: "Do not shirk that responsibility. Do not be afraid of your duty. You have a mandate from the people to wage 'total war!' The people have freed you from every restriction. Unless you deny that mandate; unless you are willing that your war professions become a mockery and a sham; and unless you do not fear to invite and deserve the reproach and condemnation of history, you must do your duty". On behalf of those of us who sit on this side, I say to the government: "We will support you in a selective national service programme which is unlimited in the area of its application or otherwise, and we will support you in any other measure you believe and we believe to be necessary at this hour".

We of this party, and those whom we represent, are anxious to avoid party or sectional strife over our war effort. We want and we shall strive for unity. We want and we shall strive for common purpose. To that

end I call upon the government, with all the earnestness I can summon, to accept its responsibility; to do its plain duty.

I do not shrink from the responsibilities which attach to and rest upon an opposition in time of grave national crisis. The government is responsible for giving effect to the will of the people as evidenced in the recent plebiscite—and, indeed, is responsible for all means adopted to meet the terrible and peremptory demands of this war. This fact does not, however, subtract in any degree from the responsibilities of those of us who constitute the opposition. We have positive duties, and never have those positive duties been clearer than they are at this present time.

What, then, is the position which we of the opposition take? When the speech from the throne which contained the proposal to hold the plebiscite was under debate I had the honour to move an amendment, which set forth the views and principles which we of the opposition held. The latter part of that amendment reads as follows:

> 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.

By the principles enunciated in that amendment, we of the opposition stand. We believe to-day, as we believed then, that the urgency of the situation requires the complete and immediate—and I emphasize the word "immediate"—mobilization of the wealth, material resources, and, on a selective basis, the man and woman power of the nation, without geographical or other limitation. We believe that the hour has struck when that must be done if Canada is to play a worthy part in this world conflict.

In two sentences I give the position to which we adhere. We believe in the immediate and full application of the true principles of national selective service, administered in a direct, clear-cut, and straightforward manner, without geographical or other limitation. We believe that, hand in hand with national selective service of man-power must go full mobilization of material resources, so that the contribution of all citizens and all classes of citizens shall be equalized in so far as that is possible, and so that the nation may wage total or unlimited war in any and every theatre of war.

[Mr. R. B. Hanson.]

I do not propose at this stage to elaborate the question of mobilization of wealth and resources. The section of the mobilization act which this bill seeks to repeal imposes a limitation on the use of man-power only. There is in the act no limitation upon the utilization of material resources. In that respect the government has the most ample and plenary powers. Upon the government must rest the responsibility for failure to utilize fully the unrestricted powers which they possess in this respect. Consequently, until the principle of removing the limitation with respect to man-power has been approved by the adoption of second reading, I think we would be well advised to confine our discussion to that point. When we have approved the principle of removing the existing limitations in the act, we can then take up at once the question of the methods whereby all our resources, material as well as man-power, may be fully utilized without limitation.

Here, in this House of Commons, is the place and now is the time to discuss and determine whether, and by what methods, the resources and man-power of the nation shall be mobilized. Parliament, not the cabinet in the secrecy of the council chamber, is the proper body to determine the methods by and the conditions under which the principles of national selective service shall be enforced. Now is the time for parliament to determine, once and for all, that the immediate enforcement of compulsory selective service over the whole field of the war is urgently necessary. This is the time and this is the place to determine the methods and conditions under which it shall be enforced.

I call upon parliament, with all the emphasis and sincerity at my command, to assume that responsibility now. I call upon parliament to decide here and now that compulsory selective service is immediately necessary, and then to proceed to work out the details under which it shall operate. I am not content, nor do I think the people of Canada will be content, to leave these questions to the Prime Minister and his colleagues assembled in the secrecy of the cabinet chamber, or to come back to parliament six months hence and have this debate all over again. The time is now. I appeal to the government to incorporate in this bill, in the committee stage, mandatory provisions for the immediate enforcement of the principles of compulsory selective service, without geographical or other limitation. And I appeal to them to incorporate in the bill the full terms and conditions under which it shall be administered, rather than leave those terms and conditions for future determination by the governor in council.

That was done in 1917; the conditions under which men were to be drafted were brought to parliament, not left to the secrecy of the council chamber. Parliament passed upon them, and the only regulations that were left to order in council were those relating merely to matters of procedure.

It may be said that the whole framework of the National Resources Mobilization Act is an outright delegation of the powers of parliament to the governor in council, and in express terms that is true. But I have always looked upon the mobilization act as emergency legislation. God knows it was produced under an emergency. It never would have been produced if my trusted colleague and myself had not confronted the Prime Minister with the position after Dunkirk. Does anyone doubt that?

Mr. MACKENZIE KING: Certainly.

Mr. HANSON (York-Sunbury): Well, it never would have been done. The day we went to see the Prime Minister and demanded this legislation, he had not even read his dispatches from overseas after the fall of Dunkirk, or so he told us.

Mr. MACKENZIE KING: Yes, but I also told the hon. gentleman that the government was considering the very matter with which he was concerned, and were taking action on it.

Mr. HANSON (York-Sunbury): No, the Prime Minister did not tell us until the next day what the government was proposing to do. I have upstairs now a memorandum in the Prime Minister's own little handwriting.

Mr. MACKENZIE KING: My hon. friend has referred to a document which he says he has in his possession. I ask him to lay it on the table of the house.

Mr. HANSON (York-Sunbury): Well, I do not have it with me, but I think I can find it and I shall be glad to do so.

Mr. MACKENZIE KING: Do so tomorrow.

Mr. HANSON (York-Sunbury): If I can find the memorandum which the Prime Minister sent me I will be glad to do so. I hope it has not been destroyed; I think it is in my file. In any case the Prime Minister remembers that he sent me such a memorandum.

Mr. MACKENZIE KING: Yes, but my hon. friend is placing an interpretation on that memorandum for which there is no justification whatever. The memorandum was to the effect that the government intended to take the action which it has taken; I agree to that.

Mr. HANSON (York-Sunbury): Yes, twenty-four hours after I had made the demand. It was emergency legislation, there is no doubt about that; and when parliament is not in session of course the government must have power to act. But when parliament is in session I do not believe that the government should make use of that delegated power. That is the principle for which I am contending. I believe that in this, as in all other cases, the proper course is to ask parliament to pass legislation, if parliament be in session, specifying the manner in which those powers shall be used.

So that in this particular instance, the proper course for the government to pursue, and the one which I urge upon them with all the earnestness at my command, is to ask parliament now, by way of amendments incorporated in this bill, to prescribe the methods by which the power shall be utilized. I renew my plea that there be incorporated in this bill, in the committee stage, not only mandatory provisions imposing at once full compulsory selective service, but detailed provisions for the operation of that system, as was done in 1917. That is the democratic way, and the other is the fascist way. That is exactly the position that was taken by the Liberal party in 1917. They demanded that it be done, and it was done. I assert that we seek to have these provisions set forth now by parliament, rather than left for future determination in the secrecy of the cabinet council. Under no circumstances should the terms and principles of the administration of compulsory selective service for overseas, or for service in Canada, be delayed for future consideration, or considered behind the backs of the representatives of the people and without submitting them to the representatives of the people in parliament. That is a safe principle for every hon. member of this house to support.

Failure to do that which I have outlined will assuredly mean that we will not have the proper kind of compulsory selective service in any practical sense. Submit your principles to parliament. "Trust the people" is an old cry of the Prime Minister. He has never been willing to do that in connection with the conscription of man-power in this country. He has never been willing to trust the people. Yet there is no man in this country, no man in the whole history of Canada, who has played upon the principle of trusting the people more than has the present Prime Minister. In respect to one vital matter, which affects the liberty of the subject, he legislates in the secrecy of the council chamber; he is afraid to trust the people. If we pursue our present course we shall have only the theory of selective service on the statute books; we shall

not have its application. Statesmanship and national honour alike require the immediate determination of all questions relating to the fullest mobilization of man-power and material resources. Let parliament act now and, in acting, strike a great blow for victory. For myself, my course is clear. I shall vote for the second reading of this bill; but I shall insist that there be incorporated in the bill the necessary mandatory provisions to place at once at the dispoal of the state, without limitation and upon terms to be decided by parliament and not by the cabinet, the full resources of the nation in man-power, wealth and materials.

We have come now to the cross roads in our history. Two paths lie before us. The one is dark and uncertain, the other straight and direct. Which of the two will the Prime Minister and the government take? Shall he insist that we continue with interminable detours to victory? That is what we have had for thirty-two months. Shall he insist that we plod wearily along a winding and unlighted road, in the pious hope that somehow, some time, somewhere, we may grope, stumble and flounder into the open light of victory? Or will he, casting aside all fears and doubts, political and personal, boldly and confidently choose the open, the well-marked path along which the Canadian people, strong and united, will march forward to the goal we all seek to achieve, a well earned victory and an honourable peace?

On motion of Mr. Coldwell the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at 6.10 p.m.

Thursday, June 11, 1942

The house met at three o'clock.

UNITED KINGDOM-U.S.S.R. TREATY

ALLIANCE IN WAR AGAINST HITLERITE GERMANY AND COLLABORATION AND MUTUAL ASSISTANCE THEREAFTER

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish to lay on the table a copy of the treaty between the U.S.S.R. and the United Kingdom of Great Britain and Northern Ireland of alliance in the war against Hitlerite Germany and her associates in Europe and of collaboration and mutual assistance thereafter.

A copy of this treaty was to-day, I believe, tabled in the House of Commons of the United Kingdom. The government of Canada has sent the following message, through myself, to Mr. Churchill, the Prime Minister of Great Britain:

[Mr. R. B. Hanson.]

The Canadian government are very much pleased that the negotiations which have been proceeding between the governments of the United Kingdom and the U.S.S.R. have reached a successful conclusion. We believe that the new treaty will greatly contribute to the successful prosecution of the war and to the realization after the war of the principles of the Atlantic charter.

POOLING OF RESOURCES

ESTABLISHMENT OF JOINT UNITED STATES AND UNITED KINGDOM BOARDS ON PRODUCTION, RESOURCES AND FOOD

Right Hon. W. L. MACKENZIE KING (Prime Minister): I promised my hon. friend the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) that I would give him a brief statement to-day with respect to closer coordination of United Kingdom and United States production programmes, to which he made reference yesterday.

The Canadian government cordially welcomes the new arrangements for the closer coordination of the United Kingdom and United States production programmes, which were announced in Washington on June 9. The United Kingdom-United States combined production and resources board and combined food board should help greatly in the vitally important task of integrating, for war purposes, the productive capacities of both countries.

The Canadian food production programme has been geared to the needs of the war situation for two years now. From the outset of the war we have been proceeding on the policy that the entire food resources of Canada and the United Kingdom were in a common pool, about which the fullest information has been exchanged. We have, for example, been working for more than two years on a programme of increasing our bacon and cheese production to meet the United Kingdom's war requirements, and have been cutting down our domestic consumption of such essential products to make sure that the basic requirements of the United Kingdom were met. More recently, through the medium of the Canada-United States joint economic committees, the two governments have been working out a war-time agricultural programme under which each country can devote its energies to expanding the production of those farm products which it is best equipped to contribute to the common cause.

Similarly, in the field of industrial war production, Canadian capacity has been expanded and developed in the closest possible cooperation, first with the United Kingdom and now with the United States as well. Through the operations of the Canada-United

States joint war production committee and of War Supplies Limited, the efficient integration for war purposes of Canadian-American productive capacity has been making satisfactory progress. The new direct arrangements for formalizing a similar United Kingdom-United States relationship should help greatly in organizing the war effort of the united nations as a whole.

The task of working out suitable working arrangements for the effective cooperation of the united nations in the job of winning the war is still incomplete. The creation of the new boards announced this week marks a long step forward in the problem of organization. Through what agencies and representatives our existing cooperation with both the United Kingdom and the United States can most effectively be coordinated with the new United Kingdom-United States boards is receiving the consideration of the government.

Hon. R. B. HANSON (Leader of the Opposition): With the early part of the statement of the Prime Minister I am in agreement. But inasmuch as our food and munitions production in Canada has advanced from the low gear to the second gear stage—we hope that we are now working on all eight cylinders, and in high gear—are we to be left, with respect to these joint boards, with representation by a citizen of the United States, no matter how eminent or capable he may be? Surely Canada has arrived at the stature of a nation, and if there is to be representation it should be by a representative of this government. I am sure the Prime Minister will agree with that and insist upon that position.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I certainly do not take any exception to what my hon. friend the leader of the opposition has said. All I would point out is that the agreement just concluded between the United States and the United Kingdom was reached within the past day or two. I have no doubt, having regard to our position and to the relationships that we have had both with the British government and with the United States government, that we shall be able to effect some arrangement in connection with food production along the line indicated by my hon. friend.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MALTON AIR FIELD—ROADWAY TO TORONTO

Mr. CHURCH:

1. What steps are being taken by the government to improve the roadway leading to Malton air plant?

2. What contribution did the city of Toronto and the government make to the erection of the air plants at (a) Malton, (b) Toronto island?

3. What use is being made of these plants in connection with the war?

Mr. HOWE:

1. The construction and maintenance of roads to Malton airport is not within the jurisdiction of the Dominion government. A grant of $25,000, however, was made towards the construction of better highway connections with the city of Toronto by the Department of Transport.

2. The total capital expenditures on the Malton and Island airports are as follows: Expenditure by the city, $986,000; grant from province of Ontario, $450,000; expenditure by Department of Transport, $690,345; expenditure by Trans-Canada Air Lines for hangar, $135,000.

3. The following use is made of Malton airport: 1. Normal civil air transport services by Trans-Canada Air Lines and American airlines; 2. No. 1, air observer school, and No. 2 elementary flying training school, under the joint air training plan; 3. Testing of aircraft manufactured in the adjoining factories.

The following use is made of Toronto Island airport:

1. The training activities of the Royal Norwegian Air Force.

2. The communications section of the Royal Canadian Air Force for transporting their own personnel.

3. Non-scheduled operations by seaplane and landplane operators.

SASKATCHEWAN COMMUNITY PASTURES

Mr. PERLEY:

1. How many community pastures were established in the province of Saskatchewan during the year 1941?

2. What was the cost of each, (a) acquiring of property or land, (b) fencing, showing average rate per mile?

3. Was any fencing done by contract?

4. If so, what are the names of the contractors and what was the average rate per mile?

Mr. GARDINER:

1. Nine.

2. (a) Nil.

(b) Masefield, L.I.D. No. 17, $16,295.55, average $388.00; Lone Tree, No. 18, $21,929.30, average $395.12; Lomond, No. 37, $14,270.85, average $328.07; Val Marie extension, $39,818.50, average $355.72; Shamrock, No. 134, $17,350.80, average $301.75; Big Stick, No. 141, $14,544.98, average $309.47; Spy Hill,

No. 152, $10,546.35, average $357.50; Beaver Hills, No. 152, $30,121.13, average $327.40; Monet, No. 257, No. 2, $13,850.75, average $364.49.

3. No.

4. Answered by No. 3.

SASKATCHEWAN WATER CONSERVATION PROJECTS

Mr. PERLEY:

1. How many dugouts were contracted for and completed in each constituency in the province of Saskatchewan during the year 1941, and what was the average cost of same?

2. How many water projects, other than small dams, were undertaken and completed during the year 1941 in the province of Saskatchewan?

3. What water conservation projects are contemplated in the province of Saskatchewan during the year 1942, other than small dams?

Mr. GARDINER:

1.

Constituency	Number	Average Cost
Assiniboia	77	$103 80
Weyburn	158	
Wood Mountain	25	
Maple Creek	19	
Qu'Appelle	188	
Moose Jaw	112	
Swift Current	91	
Melville	449	
Lake Centre	127	
Rosetown-Biggar	50	
Kindersley	55	
Yorkton	237	
McKenzie	335	
Rosthern	69	
The Battlefords	67	
North Battleford	45	
Prince Albert	2	
Humboldt	69	

2. Eight.

3. Six:

1. Completion of Duncairn dam and reservoir.

2. Completion of Highfield dam and reservoir.

3. Comletion of drainage canal from Rush lake to Reed lake.

4. Completion of Echo lake dam.

5. Completion of Last Mountain lake creek dredging.

6. Completion of Cypress lake inlet and outlet canal improvements.

NOVA SCOTIA DAIRY PRODUCTS

Mr. PURDY:

Have arrangements as yet been made adjusting the inequalities in the prices authorized for fluid milk and other dairy products in Nova Scotia?

[Mr. Gardiner.]

Mr. ILSLEY: Order 124 of the wartime prices and trade board, passed on the 7th day of April, established maximum prices which permit adjustment of inequalities upon recommendation of the provincial board. Whether inequalities exist, having regard to varying circumstances and conditions, is a matter of opinion, making a more definite answer to the question impossible.

COAL—JUBILEE COLLIERY, SYDNEY MINES, N.S.

Mr. MacLEAN (Cape Breton North-Victoria):

In view of the announcement that coal is to be rationed this winter, will the government endeavour to have the Nova Scotia Steel and Coal Company reopen the Jubilee colliery at Sydney Mines, Nova Scotia?

Mr. ILSLEY: No announcement has been made that coal will be rationed this winter. It was stated that if the United States decided to ration coal, Canada would probably find it advisable to do the same.

The problem is one of transportation rather than production, making the opening of additional collieries an inappropriate method of dealing with the situation. The question relates to a matter of future policy as to which no present statement can be made.

CANADIAN FORCES—MARITIME PROVINCES—PURCHASE OF GASOLINE, OIL AND GREASE

Mr. MacLEAN (Cape Breton North-Victoria):

1. Were tenders called for the supplying of gasoline, oil and grease, for army, navy and air force, at Saint John, New Brunswick; Halifax, Pictou, Mulgrave, Nova Scotia; St. John's, Newfoundland, and Cape Breton, Nova Scotia?

2. If so, what oil companies tendered, and who was awarded the contract?

3. Was any tender sent in by McColl-Frontenac Oil Company?

4. To whom are the requisitions made for gasoline, oil and grease in Sydney, North Sydney, Sydney Mines and Reserve?

5. Has anyone given instructions that all gasoline, oil and grease requisitioned is to be purchased from the Imperial Oil Company?

Mr. HOWE:

(a) Saint John, N.B.

Army requirements

Tenders were received from the following companies: British American Oil Company Ltd.; Canadian Oil Companies Limited; Imperial Oil Limited; Irving Oil Limited; Provincial Oils Limited; McColl-Frontenac Oil Co., Ltd.; Pennsylvania Oil Products Co.; Tidewater Oil Co., of Canada Ltd.

Contracts were awarded to Provincial Oils Limited, McColl-Frontenac Oil Company Ltd., and Canadian Oil Companies Ltd.

Navy requirements

Tenders were received from the following companies: British American Oil Company Ltd.; Canadian Oil Companies Limited; Imperial Oil Limited; Irving Oil Limited; Provincial Oils Limited; McColl-Frontenac Oil Co., Ltd.

The contract was awarded to British American Oil Company Ltd.

(b) Halifax, N.S.

Army requirements

Tenders were received from the following companies: British American Oil Company Ltd.; Canadian Oil Companies Limited; Imperial Oil Limited; Irving Oil Limited; Provincial Oils Limited; McColl-Frontenac Oil Co., Ltd.

The contract was awarded to Imperial Oil Limited.

Navy requirements

Tenders were received from the following companies: British American Oil Company Ltd.; Canadian Oil Companies Limited; Imperial Oil Limited; Irving Oil Limited; Provincial Oils Limited; McColl-Frontenac Oil Co., Ltd.

The contract was awarded to Provincial Oils Limited.

(c) Mulgrave, N.S.

Army requirements

Tenders were received from the following companies: British American Oil Company Ltd.; Canadian Oil Companies Limited; Imperial Oil Limited; Irving Oil Limited; Provincial Oils Limited; McColl-Frontenac Oil Co., Ltd.; Pennsylvania Oil Products Co.; Tidewater Oil Co., of Canada Ltd.

Contracts were awarded to McColl-Frontenac Oil Co., Ltd., and British American Oil Company Ltd.

Navy requirements

Tenders were received from the following companies: Irving Oil Limited; Provincial Oils Limited; Imperial Oil Limited; McColl-Frontenac Oil Co., Ltd.

The contract was awarded to Provincial Oils Limited.

(d) Pictou, N.S.

Navy requirements

Tenders were received from the following companies: British American Oil Company Ltd.; Canadian Oil Companies Limited; McColl-Frontenac Oil Co., Ltd.; Imperial Oil Limited; Irving Oil Limited.

The contract was awarded to British American Oil Company Ltd.

(e) St. John's, Nfld.

Navy requirements

Five firms were requested to tender. One tender only was received, from Imperial Oil Limited, to whom the contract was awarded.

Note.—Army requirements for this point are also being supplied by Imperial Oil Limited, no other firm being in a position to supply.

(f) Cape Breton, N.S.

Army requirements

Tenders were received from the following companies: British American Oil Company Ltd.; Canadian Oil Companies Limited; Imperial Oil Limited; Irving Oil Limited; Provincial Oils Limited; McColl-Frontenac Oil Co., Ltd.; Pennsylvania Oil Products Co.; Tidewater Oil Co., of Canada Ltd.

Contracts were awarded to the British American Oil Company Ltd. and Canadian Oil Companies Ltd.

Navy requirements

Tenders were received from the following companies: British American Oil Company Ltd.; Canadian Oil Companies Limited; Imperial Oil Limited; Irving Oil Limited; Provincial Oils Limited; McColl-Frontenac Oil Co., Ltd.

The contract was placed with the British American Oil Company Ltd.

4. Requisitions are made to the Department of Munitions and Supply for army requirements by the director of supply and transport, Department of National Defence, upon request from the district officer commanding, military district No. 6, Halifax, N.S.

Requisitions are made to the Department of Munitions and Supply for navy requirements by the director of naval stores and air force requirements, through the commanding officer, eastern air command.

5. No.

Note.—Requirements of the Department of National Defence for Air on the east coast are purchased by the local purchasing agents of the Department of Munitions and Supply, in order to ensure better control of deliveries and maintenance of supply. The business is being distributed equally among the six firms in a position to supply.

PORK PRODUCTS FROM UNITED STATES—DRAWBACK CLAIMS BY PACKERS

Mr. HATFIELD:

1. Have the meat packers filed claim for drawback on difference in price importation of pork products from United States and amount received by them under export agreement with Great Britain for the year 1940?

2. If so, what were the sums paid and to whom?

Mr. GIBSON:

1. No drawback claims have been filed on the basis of difference in price importation of pork products from United States and amount received by meat packers under export agreement with Great Britain for the year 1940.

2. Answered by No. 1.

GEORGE W. TINGLEY

Mr. DIEFENBAKER:

1. Is George W. Tingley of Halifax employed in the Department of Munitions and Supply?

2. If so, in what capacity?

3. What are his qualifications for this position and who recommended him?

4. What salary and expenses or other allowance does he receive?

Mr. HOWE:

1 and 2. Yes, for a probationary period of six months, as stores coordinator in the overhaul and repair division of the aircraft production branch.

3. (a) His qualifications for the position are: Graduate dentist—practised from 1906 to 1917; Canadian army—1917 to 1920; Cadillac franchise—1920 to 1924; Franklin franchise—1924 to 1930; General Motors' dealer—Manager of his own business; 1937—Appointed to dealer council of General Motors—This council to suggest procedures to be followed by General Motors' dealers in the United States and Canada. Member of advisory committee of federation of Canadian auto dealers; 1941—Director of Halifax aero club.

(b) Mr. H. J. Carmichael, director general gun production branch, Department of Munitions and Supply; Mr. Ralph P. Bell, director general aircraft production branch, Department of Munitions and Supply.

4. Salary at rate of $5,000 per annum plus the usual travelling expenses while on departmental business.

LABOUR CONDITIONS—FLORENCE, N.S., COLLIERY DISPUTE

Mr. MacLEAN (Cape Breton North-Victoria):

1. Has the Department of Labour taken any action to settle the dispute at the Florence colliery, Florence, Nova Scotia?

2. If so, has any decision been arrived at as to the cause of the trouble and where the blame should be placed?

[Mr. Howe.]

Mr. MITCHELL:

1. Yes. On May 7, the dispute as discussed in the Department of Labour with the international board member of the United Mine Workers of America and a resumption of work was expected on the following day. On May 8, another strike occurred at Sydney Mines nearby and the situation was discussed in the Department of Labour with the minister of mines and labour of Nova Scotia. A telegram was sent to the district president of the union that work should be resumed and the disputes referred to the miners' joint adjustment board for authoritative decision. A reply was received that the district president was confident that operations would be resumed on Monday, May 11, in order to permit adjustment board to consider disputes. This was done.

2. Reports received in the department indicated that the strike was against the suspension of nine miners who had quit work one day before closing time. The question as to blame is involved in the reference to the adjustment board. No report as to the decision has been received.

W. R. FISKE

Mr. MacLEAN (Cape Breton North-Victoria):

1. Is Mr. W. R. Fiske, Saint John, New Brunswick, employed in any capacity by the government?

2. If so, what are his duties?

Mr. HOWE:

1. Yes.

2. Regional officer of timber control office at Saint John, N.B. assistant timber controller for the maritimes and deputy administrator for lumber, millwork and woodenware which come under the authority of the timber controller.

PROPOSALS FOR ENTRY OF NEWFOUNDLAND INTO CANADIAN CONFEDERATION

Mr. WINKLER:

1. Have overtures been made either to or by Newfoundland regarding entering the confederation?

2. What would Newfoundland's representation in the House of Commons and the Senate be based on the representation of, (a) Nova Scotia or New Brunswick, (b) Prince Edward Island, (c) Quebec, (d) Manitoba or Saskatchewan, after revision?

Mr. MACKENZIE KING:

1. No.

2. In view of the answer to No. 1, the second question does not arise.

*STATUS OF "O CANADA"

Mr. LaCROIX (Quebec-Montmorency):

1. Has the defence council reached a decision regarding the status of the national anthem O Canada?

2. If so, what conclusion?

Mr. RALSTON:

1. No.

2. Answered by No. 1.

Mr. CHURCH: There is only one national anthem—God Save the King.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PROSECUTIONS FOR VIOLATION OF REGULATIONS OF NON-LEGISLATIVE BODIES

Mr. CHURCH:

1. How many people, by provinces, have been prosecuted in the law courts for not carrying out the orders in council and instructions, rules and regulations and directions of various boards and controllers and dollar-a-year men, including the wartime prices and trade board, and various non-legislative bodies?

2. What lawyers, by provinces, have been retained, and what are their fees?

3. Does the Department of Justice provide counsel to enforce federal law for the wartime prices and trade board and other federal boards?

Mr. ST. LAURENT: I had expected that the hon. member would modify this question and perhaps make it clearer. I understood from him that he was particularly interested in the prosecutions in connection with the regulations of the wartime prices and trade board. If it is satisfactory to the hon. member, perhaps this question could stand as an order for return in respect to the wartime prices and trade board.

Mr. HANSON (York-Sunbury): It is a little wider than that.

Mr. ST. LAURENT: If the hon. member wishes more information, a further application can be made; but I understood from him that he was particularly interested in those prosecutions.

"CANADA'S BATTLE OF THE ATLANTIC"—"ROYAL CANADIAN NAVY"

Mr. HATFIELD:

1. How many copies of the publications, "Canada's Battle of the Atlantic" and "Royal Canadian Navy" were printed?

2. Was the printing done by contract? If so, who submitted tenders, stating amounts?

3. If not by tender, in what manner was the contract let and to whom?

4. What was the total cost and how were these publications distributed?

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 $22,360,000 in principal amount to provide the moneys necessary to meet capital expenditures made or capital indebtedness incurred during the calendar year 1942; to make provision for the purchase or refunding of capital obligations of the company, or of any company comprised of the Canadian National Railways 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 $22,360,000 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.

ALASKA

REPORTED LANDING BY JAPANESE TROOPS ON ALEUTIAN ISLANDS

On the orders of the day:

Mr. J. G. TURGEON (Cariboo): I should like to ask a question of the Minister of National Defence, based upon a statement by the Japanese imperial command that Japanese soldiers have taken possession of some of the Aleutian islands. I know there will be much uneasiness in British Columbia, Alberta and other parts of Canada about this report and I should be glad to have the minister make a statement.

Hon. J. L. RALSTON (Minister of National Defence): No information whatever has been received by the Department of National Defence regarding an attempt to land troops on the Aleutian islands. We have had considerable information with regard to relevant matters, but nothing of that kind. I would direct my hon. friend's attention to the statement made yesterday by a United States naval spokesman to the effect that none of the Alaskan areas or rocks are troubled with

uninvited guests. The statement was again denied at ten o'clock last night in a CBC broadcast, when it was stated that no Japanese forces of any kind had landed on any rock or island of Alaskan territory.

FARM LOANS

BRITISH COLUMBIA—REFERENCE TO RETURN BROUGHT DOWN IN ANSWER TO QUESTIONS

On the orders of the day:

Mr. THOMAS REID (New Westminster): Mr. Speaker, I should like to direct a question to the Minister of Finance. Some few days ago I placed on the order paper three questions asking for information in connection with farm loans in British Columbia granted by the farm loan board. The return that was brought down by the minister yesterday in answer to those questions is, I think, an evasion of the questions I put on the order paper. My first question was:

What was the number of applications for loans under the Canadian farm loan board in the province of British Columbia in each month since January 1, 1939, to May 30, 1942?

And I asked two following questions. The answer that was brought down was given to the minister, I presume, by the chairman of the farm loan board. In connection with the figures given it is stated:

The statistical records of the board are kept on a yearly basis.

I claim that is a straight evasion of the questions I asked. I was not speaking of statistical records. I wanted the figures for each month since January 1, 1939, to May 30, 1942. I think a member of parliament is entitled to have that information, and I am asking the Minister of Finance now to have it brought down.

Hon. J. L. ILSLEY (Minister of Finance): I shall look into the matter and see whether the information is available on the basis asked for. I suggest to my hon. friend that if he had spoken to me first, instead of publicly accusing the officials of evasion, he would probably have achieved the same end.

CANADIANS IN JAPAN

PRESS REPORT AS TO ARRANGEMENTS FOR EXCHANGES OF UNITED STATES-CANADIAN AND JAPANESE NATIONALS

On the orders of the day:

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, on the orders of the day on June 9 I directed a question to the Prime Minister concerning a press report as to arrangements for exchanging Canadian and Japanese nationals. The Prime Minister was not in the house that afternoon, but the Minister of Mines and Resources undertook to bring the question to his attention. It will be found at page 3171 of *Hansard*. Would it be possible to have a reply to-day, or if not to-day, to-morrow?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I will try to give my hon. friend a reply to-morrow.

MOBILIZATION ACT

AMENDMENT TO REPEAL SECTION 3 PROVIDING LIMITATION IN RESPECT OF SERVICE OVERSEAS

The house resumed from Wednesday, June 10, consideration of the motion of Mr. Mackenzie King for the second reading of Bill No. 80, to amend the National Resources Mobilization Act, 1940.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I believe the people of this country are anxious for a total war effort, including the compulsory mobilization of all our resources, both human and material. But total war must mean total war for everything and not only for human life.

It is our view that political considerations have distorted the issues before the people and have unnecessarily divided our country. No section of our people, neither English nor French-speaking, has been told in clear and definite terms what we are fighting for, what the needs of the war are. Unreal and partisan political discussion has unfortunately made the question of conscription for overseas service the main issue. For some English-speaking Canadians it has become the symbol of total war; for most of our fellow-Canadians of the French language it has become the symbol of a surviving colonialism and an effort at domination to which they object. Thus, when unity in our country is a matter of life and death, we are rent by dissension and ill-will. More than that, not only the war but the post-war period is endangered by this disunity.

A large share of the responsibility for the present dissension lies squarely on the shoulders of the government. In time of acute crisis the Prime Minister (Mr. Mackenzie King) has been and still is pursuing his well known technique of procrastination in the hope that time will solve problems that cry for immediate solution. The result has been confusion and distrust, instead of understanding and confidence.

Even now the issue is being confused by the government. The people are being told that the amendment before us does not introduce

conscription but merely frees the government's hands. Of course, I realize that the mere amending of the act does not of itself automatically abolish the voluntary system, but of what importance is that as compared with the paramount fact that this is the last opportunity which parliament has of declaring itself on the subject? If this amendment is passed, every restriction on the government will have been removed and the government will be free to impose conscription for overseas service at any time, on any terms it sees fit, and without any further reference to parliament. This is contrary to all the assurances of the Prime Minister that parliament would decide this issue.

I submit that nothing is gained and much harm is done by this new confusion. For who is satisfied by the government's interpretation of this amendment? No one. Those who want conscription are incensed by this policy. Those who are opposed to conscription do not believe it. And the result is still further confusion, further argument and discussion, prolonged controversy and increasing bitterness. This lack of leadership, this policy of drift cannot be tolerated any longer. As I said in my broadcast during the plebiscite campaign, the "yes" vote was another indication that the people of Canada want a war policy which places all of the nation's resources at the service of the nation's cause—without profits, without special privilege, and without the evils of monopoly control. And, what is more, I am profoundly convinced that such a policy would greatly reduce the opposition to conscription for overseas service.

We deplore that conscription of man-power for overseas service has been allowed to take on such importance and to divide our people. For it is not the most vital issue facing this country to-day—and it certainly ought not to be a political issue. In our view, the problem of conscription for overseas service should not be dealt with on the basis of past prejudices and divisions. It is purely a question of strategy and should be considered exclusively on the basis of how we can make our best and most effective contribution to the defeat of the Hitler axis. We should think about it only in terms of our national interest and that of our allies, whose existence and freedom—as well as our own—depend upon the outcome of this war.

The Prime Minister yesterday asked parliament to free the government's hands so that it might by order in council adopt any policy which the war situation may make necessary. No man has more frequently assured this country that such policies would be decided by parliament than the Prime Minister. Surely the government realizes that at no time since the outbreak of war has the situation been more critical than now. Everyone agrees that the campaigns of this year will decide the war. What should be done ought to be done now, with and by the consent and approval of this parliament. We have no right to give a blank cheque to the government to do nothing, or to make regulations for the conscription of man-power, which may be no better understood or more equitably administered than the regulations already in effect and about the meaning of which there is no general agreement by the Department of National War Services which is charged with their administration. Under the circumstances my colleagues and I do not propose to give the government a blank cheque to do by order in council what this parliament alone should do.

In my broadcast of April 21, I said of the issue of conscription: "The issue will be decided by parliament when and if the government presents it for discussion", and I insist that parliament and not the governor general in council shall decide the issue. The significant thing we have to face is that the controversy over the narrow issue now before the house has deeply-rooted causes—causes much deeper than the mere question of conscription for overseas. The divisions in our country to-day are the result of twenty-five years of political manœuvring, and, added to this, the fact that throughout this period, in war as well as in peace, Canada has never pursued a foreign policy based on independent thought and judgment as befits a sovereign country. They arise from the fact that at no time has the government made clear to the people that we are in this war for our own survival and that we intend to play our proper part in the conduct of the war jointly with all other united nations, and not merely to be the appendix of any stronger power. They arise also from the fact that we have never stated clearly and unequivocally that so far as we are concerned and so far as the free peoples everywhere are concerned this is not an imperialist war, but on the contrary Canada stands now, and will stand when peace comes, to fight for freedom for all the subject peoples, whether it be in India, Asia, Africa, Europe or elsewhere. We should state clearly our determination, in the words of the Vice-President of the United States Mr. Henry R. Wallace, that "no nation will have the God-given right to exploit other nations". There must be neither military nor economic imperialism.

Finally I believe that the opposition to overseas conscription is due, in part at least, to the evidence everywhere of gross inequality of sacrifice, to the fact that the wide powers which were given the government in the National Resources Mobilization Act have so far been used mainly to conscript labour, to freeze agriculture, and to conscript man-power for home defence. They have not been used to impose equal sacrifices on the privileged and to harness industry and wealth to an all out war effort according to a national war production plan and without strengthening the hold of private monopoly over the life of our country.

These, I believe, are the real causes of the differences existing in Canada to-day. If we are to achieve unity, both for an effective war effort and for successful reconstruction afterwards, we must introduce now a new and dynamic policy along the lines I have just indicated. Conscription for overseas service alone will not meet the requirements of our contribution, nor, I must add, will mere opposition to conscription serve the cause of unity and freedom. Every experience in this war—our successes as well as our reverses—has underlined the correctness and, if I may say so, the far-sightedness of the position which we took in this regard at the beginning of the war. It has always been clear that Canada's vital contribution in this war must be the supplying of implements of war and of foodstuffs, in view of our small population, our industrial and agricultural resources, and the comparative safety of our manufacturing units from destruction by the enemy. This does not mean that I am suggesting that Canada should not make her proper contribution in man-power to meet the enemy wherever it is strategically important to fight him. On the contrary, we are convinced that Canada should make her proper contribution on the battle front in the same way as on the industrial front. But I condemn as thoughtless and irresponsible demagogues those people who speak of this war only or mainly in terms of soldiers and more soldiers. I would lay it down as an axiom for our country that any policy which would tend to increase our fighting services at the expense of our industrial effort, at the cost of reducing the production of war materials, would be a wrong policy. What we need, what we have lacked and still lack, is a comprehensive plan of selective service for our material resources as well as for our man-power.

Almost two years ago the people of Canada submitted to a national registration. But it is an open secret to-day that a new inventory of Canada's labour power must be taken. The director of national selective service is still at work gathering information upon which to base any positive system for the allocation of man-power. The registration of two years ago is apparently of no value whatever except for calling up men for military service. This is an outrageous example of the total lack of planning which has dogged our war effort at every step. To-day, after almost three years of war, there are still unemployed, and lay-offs in key industries. Only last Friday my colleagues the hon. member for Vancouver East (Mr. MacInnis) and for York South (Mr. Noseworthy) brought to the attention of the government lay-offs in a Montreal plant producing tanks, and in the Associated Aircraft plant at Malton. There are still instances of lack of equipment in our training camps. We are still in the dark as to the man-power capacity of Canada, and, at the same time that hundreds of trained and semi-trained mechanics are doing guard duty or drilling in the army, the director of national service warned us, on Monday, June 1, that we are already faced with a serious shortage of skilled labour.

I repeat what we of the Cooperative Commonwealth Federation have said many times in this house and elsewhere: a complete all-out war effort is essential to victory. This involves much more than conscription of man-power for military service, whether for home defence or for overseas. Not only justice but efficiency, not only morality but cold-blooded reality, demand conscription of war industry, of accumulated wealth and of financial institutions even more, much more urgently than the conscription of human life. The important thing to remember is that two years ago almost to a day the National Resources Mobilization Act, which the government now seeks to amend, was passed. At the insistence of the Prime Minister (Mr. Mackenzie King) parliament made dramatic haste and in three days the bill went through all its stages. Hon. members will remember that the Prime Minister scolded the house for taking even this short time to discuss a bill which gave the government sweeping, one might almost say dictatorial, powers. Listening to him at that time, a gullible person might have got the impression that one hour after the passage of the bill the whole machinery of the government would go into action to mobilize the country for total war. Such gullibility perhaps deserved the disappointment which it later suffered. For this act could more properly have been called the human resources mobilization act. Apparently only human life is considered a national resource. Industry and wealth remain private resources to be hired at a profit or borrowed at interest.

I want to make it clear that I do not desire for one moment to belittle what has been done. Obviously we are producing vast quantities of war supplies, and compared with the first months of the war we have made great strides, but it is my conviction that we can accomplish much more than we have done hitherto, and we cannot afford to lose any more time. It is our duty not only to help win the war some time but to help win it as soon as possible. Every month cut off the war means the saving of many thousands of human lives. From this point of view, therefore, what we have failed to do is scandalous, although what we have managed to do is substantial, and our failures have in my view been due to the fact that the powers given the government under the mobilization act have so far been used mainly for the regimentation of our human resources.

Look at the record. We have conscripted men for home defence. We have frozen wages without placing any floor under them, so that industrial wages as low as 30 cents or 35 cents an hour are still being paid in many parts of Canada, particularly in the province of Quebec, and frozen at that level for the duration of the war. We have frozen farm labour without providing the farmer with the means of paying his labourer a decent wage. We have introduced measures which in effect almost—note, I say almost—prohibit strikes; yet we have done nothing to guarantee the workers the right to organize and bargain collectively. We have frozen prices, which is in principle a very good thing; but we have done almost nothing to protect the primary producer under the scheme. We have set up machinery for the regimentation of labour under the National Resources Mobilization Act, but without prior consultation with the workers.

Against this record on the human side, set up the profits still being made by corporations, the extent to which the economic effort is controlled by representatives of monopoly interests, the great luxuries still possible to those with wealth, the increasing power and resources being concentrated in the hands of a few, and you have some of the fundamental reasons why there is so much discontent and suspicion in the country to-day. As I have already said, we need a new and comprehensive policy, a policy which would utilize every resource for victory, which would plan our war production with a view to achieving the greatest possible output, without any regard for private interests, and which would provide a minimum standard of living and a scheme of social security for all our people. Such a policy would inspire our people with a vision of the new world for which we are fighting this war. For this reason I move in amendment:

That all the words after "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 provision for the introduction of conscription of man-power for overseas service without specific proposals for the immediate use of the power conferred by section 2 of the act, to conscript war industry, financial institutions and accumulated wealth, does not meet the urgent need for total war, imposes further inequality of sacrifice, and is, therefore, contrary to the peace, order and good government of Canada."

There has been a widespread demand that we define exactly what we mean when we speak of conscription of industry and wealth. I shall endeavour to give the house a detailed outline of the immediate proposals we have in mind. Before doing so, however, there are one or two preliminary observations I should like to make.

I know that in many instances the question of what we mean by conscription of industry and wealth is asked honestly by people who really want to know the concrete proposals intended by this policy; but I also know that in some cases the question is asked by agencies which know perfectly well what is meant and which are trying to belittle the policy by confusing the simple issue with which it deals. It is significant that in almost every one of the many editorials written by newspapers on the subject recently, they say first that they do not know what conscription of wealth means, and then immediately go on to state that wealth has already been conscripted. They do not know what it means but it is already being done. I do not think I need point out further the obvious dishonesty of such criticism. I should like to make it clear that the proposals I am about to discuss are not exhaustive. They are the main, immediate steps which in our view are essential to an all-out war effort and to any policy approaching equality of sacrifice. The proposals we place before the government, parliament and the people are half a dozen concrete measures which I outlined in my speech to this house on January 26 of this year. I will enumerate them first and then deal with each one in turn. They are as follows:

1. Nationalization of financial institutions, so that without inflation or accumulating debt we can finance our war effort.

2. Compulsory, interest-free loans levied according to ability to contribute, as one of the means of war financing.

3. Government ownership or complete control of all essential war industries so that every plant can take its place as a unit in a comprehensive national plan of war production.

4. Replacing all dollar-a-year men by full-time national administrators paid only by the state and working in conjunction with war boards on which labour and farm organizations are properly represented.

5. A 100 per cent tax on all profits in excess of 4 per cent on capital actually invested, as has been suggested in our sister dominion of Australia.

6. The establishment of a fair maximum-minimum income, a steeply graduated tax on incomes between the minimum and maximum, and a 100 per cent tax on all incomes above the maximum.

The proposals are complementary one to the other and should be taken as parts of a whole plan. In our view this is the only way in which we could in this country achieve the three simple objectives which the Hon. Walter Nash, former minister of finance of the New Zealand Labour government, placed before the select committee on reconstruction and re-establishment the other day. You will recall he emphasized three things:

1. That no one who goes away from his country to fight ought to be worse off because he goes away to fight.

2. That nobody ought to be better off because he stays at home.

3. That no one in the present world situation should at any time expect a profit from the supply of essential things associated with the war.

Since the government is seeking power for the final step in the conscription of man-power for overseas, now is the time to demand that these principles be put into effect. Moreover, the Prime Minister has lectured the house several times this session on the necessity of public men and political parties honouring their pledges and living up to their promises. On April 21 I appealed to the Canadian people to support the affirmative vote in the plebiscite. In making the plea I said:

> I want to make it clear beyond the slightest chance of misunderstanding that we of the C.C.F. will not only continue but will intensify our demand for the conscription of war industry, accumulated wealth and the financial institutions, on the same basis and at the same time as the compulsory mobilization of human power. To us, the value of the plebiscite lies only in the opportunity it gives our people of clearing away the underbrush of irrelevant argument. Once that is cleared away, the path to a total and just war policy will be open. We shall accept an overwhelming and united "yes" vote next Monday as another indication that the people of Canada are anxious for a war policy which places all the nation's resources at the service of the nation's cause—without profits, without special privilege, and without the evils of monopoly control.

[Mr. Coldwell.]

Now let me deal with the relevance and meaning of each one of the proposals I have enumerated.

The first deals with the nationalization of the chartered banks. We of the Cooperative Commonwealth Federation have always contended that the financial system should be publicly owned and operated for the common good. Hon. members will have noticed that one of the first controls which the government found it necessary to impose in this war was the control of foreign exchange. Banks are instruments of financial and investment policy. It is absurd to leave any portion of this policy in private hands during a crisis such as the present. I am not speaking of the profits made by the banks, although the nine chartered banks in 1941 recorded a total profit of over $13,000,000. The more important thing, however, is the control of policy, which should be exclusively in the hands of the government. Only in this way could we pursue a monetary policy which would be in harmony with the needs of war production and investment. In this way, too, we would have the full information about the monetary situation which is necessary for an intelligent policy.

But there is one additional reason why the public ownership of the chartered banks and government control of financial and investment policy is of great interest at the present time. Everyone is aware of the important part which these factors played in the pre-war years. These factors will be equally crucial in the reconstruction period after the war. It will be necessary for the country as a whole collectively to control and direct investment and to finance huge schemes of public enterprise.

Some time ago the Prime Minister correctly stated in a public address that unless we lay the foundations of the new world order during the war we may look for it in vain. The right hon. gentleman was right. I now call upon him to implement his words, since he and he alone has the full power to direct the policy.

One final word on the question of banks. I hope no one will raise the bogey about such a step as I am urging disrupting our war effort. Banks do not produce anything. They could not produce a contraption which would shoot a pea at Hitler, let alone a gun, a tank or a plane. They might however harm our war effort by anti-social policies.

The second proposal we make is that when it is necessary for the state to borrow money from individuals and corporations it should be by means of interest-free loans to be levied on a graduated scale according to ability to subscribe. This is of crucial importance. Hon. gentleman will recall during the twenty years between the two wars the public treasury paid millions of dollars in interest charges. According to the figures published in appendix "A" to the Sirois report, page 41, the net annual debt charges of the dominion grew from $12,213,000 in 1913 to $152,488,000 in 1921, an increase of more than 1,200 per cent as a result of loans made in the last war. The loans which we have made in this war are already tremendously larger than those of the last war, although the rate of interest is lower. And we are not finished yet. What will this mean when the war is won? The same thing that it meant in the past: public works, programmes of social service, the needs of our people for education, for homes, for safeguarding health and providing for their old age—all will suffer because the cry will be raised that contractual obligations are sacred. Consequently the major share of the national revenue will be paid out in interest.

I declare that this is immoral. Do we promise interest in perpetuity to our young men whom we send to give their lives for this country and for the cause of freedom? Early in this war the President of the United States had the wisdom and generosity to introduce the lease-lend arrangement so as to avoid crippling the post-war period through international debts. We ourselves have made a free gift of $1,000,000,000 to Britain. Yet when we need the financial resources lying unused in Canada we pay interest on them now and forever more. "Profitable patriotism," the late Mr. Lapointe called it. Unpatriotic extortion would be more nearly correct.

There is a bogey in connection with this proposal which should be laid immediately. We are asked: Are you threatening to take the savings of the poor widow and the orphan? I wish many of them had savings; I am certain they would be among the first to offer them to our cause in this war. No; we are threatening no such thing. You will have noticed that we say that compulsory interest-free loans should be levied on a graduated scale according to ability to subscribe. The small savings of individuals which are meant for a rainy day, for possible ill-health or similar needs, should be exempt.

Then we are asked: What about the subscriptions of such institutions as life insurance companies, whose earnings are widely distributed among small policyholders? I am certain every Canadian would gladly forego the small sum which he receives in dividends on his policy each year if by doing so he could be guaranteed social insurance against unemployment, bad housing and chaos after the war. This is precisely what in part the elimination of interest payments on war loans would mean.

The third proposal we make is either government ownership or, where that is not feasible, complete government control of all war industry. Tied in directly with this is the next proposal, that dollar-a-year men should be replaced by national administrators paid exclusively by the state, and that labour and farm organizations be given a proper share in the control of war production. I discuss these points together, since they concern one subject.

Production is still our main job in this war. Upon our success in this field depends our main contribution to victory. On many previous occasions my colleagues and I have pointed out the shortcomings in our war production and the utter lack of over-all planning. In fact it is true to say that the Department of Munitions and Supply has so far been merely a procurement department. It has sought to fill orders requisitioned by our own service departments or those of our allies. There has been no evidence of comprehensive planning to expand our war production to the maximum of our resources without affecting the health, efficiency and morale of our people. "Cost plus" contracts have been entered into. I understand that several hundred have been made. Private business has been allowed to bargain and haggle, to hinder necessary expansion, to continue to produce luxury articles requiring indispensable war materials, to influence our whole production policy by competitive considerations. Look at the record. Only a few months ago did we stop the production of pleasure automobiles, and it is not very much longer since we stopped production of other luxury articles, such as radios and refrigerators. Now we are short of rubber and steel and other materials which went into the manufacture of these articles during more than two years since the war began. In fact the years 1940 and 1941 were banner years for the automobile industry. Yet they were years during which France fell and Britain was on the brink of defeat, years during which the war became a world conflict and the cause of freedom became more and more dependent on contributions of this continent.

Some of the evils of the first two years have been corrected through the pressure of events. But we still have far too much "business as

usual," far too much tenderness towards private interests; still no plan based on a full inventory of our resources. I have already referred to layoffs which have occurred in Hamilton and Malton. The other day I drew the attention of the house to the possibility of oil deposits on Manitoulin island. These possible deposits of one of the most valuable resources needed for war are not even being investigated, because in 1909 a private lease was granted to an individual and corporation. In war at least such resources must belong to the people, to the nation, to the allied cause; private interests must not stand in the way of the national objective of victory.

As I speak, the Dumart packing plant in Kitchener is shut down. For almost four weeks the plant has kept the workers locked out, because they walked out for one hour in protest over the unfair dismissal of two of their fellow workers. The federal labour department and the provincial minister of labour have sought a settlement. The company says no; it will open the plant only on its own conditions, namely, that they take back whomsoever they like, and fire the most active unionists. The union has sent a brief to the Prime Minister asking him to send a controller to the plant, but that the government refuses to do. Think of it. In spite of the great need for bacon and similar meat products in Great Britain. In spite of the beef shortage at home, a private meat packing company is at liberty to shut down its plant for four weeks, to keep about three hundred men and women idle and in want—all because of the determination to block the union. The Minister of Labour (Mr. Mitchell) does not act.

Mr. MITCHELL: At the moment, as the hon. member speaks, a conference is going on in the Department of Labour. The plant is operating.

Mr. COLDWELL: But after four weeks, though.

Mr. MITCHELL: My hon. friend knows it is an illegal strike.

Mr. DOUGLAS (Weyburn): It was not an illegal lockout, though.

Mr. COLDWELL: Was it an illegal walkout?

Mr. MITCHELL: It was an illegal strike.

Mr. COLDWELL: I could cite many more examples of the past and present. It is a simple statement of fact that our conversion to war production has been slow and tardy; that it has been impeded by considerations of the competitive position of private monopolies both now and after the war; that private business has been and still is allowed to control the effort within wide limits; that we have not had any comprehesive plan of war production based on the compulsory selective use of all our resources. And this in a war in which supplies and equipment mean the difference between victory and defeat. The united nations do not lack men. They do need, and need urgently, more and ever more equipment and supplies. To the extent that any private consideration is allowed to stand in the way of war production, to that extent do we betray our sacred obligations to our country and to our allies in this war.

Therefore we say that all war industry should be fully conscripted immediately. It would probably be difficult to acquire immediate public ownership of some industries without interrupting production, and we recognize that production must not be interrupted. But it is possible, without any difficulty, to say to private industry that for the duration of the war, its plants, its policies, its management are completely at the disposal of the nation, precisely in the same way as we have, without hesitation, said to the men and women of Canada that certain of them must place their lives at the service of the country; that others must for the duration of the war work where they are told, at a wage which may not be increased.

Another reason why our economic controls have not worked satisfactorily is that they have been in the hands of men who exclusively represent big business and continue to draw their salary and incomes from the corporations in which they have an interest. It is an accepted principle, though sometimes evaded in practice, that one who becomes a minister of the crown should thereupon sever whatever connections he may have had with private corporations. But our dollar-a-year men have almost as much legal power and a great deal more economic power than members of the cabinet, and should be subject to the same rule. Even if our big industrialists and financiers were angels—and the social history of our country shows some of them to have been far removed from the incorruptible inhabitants of heaven—they would still be the victims of divided loyalties and of the pressures of long-established ties and habits. Therefore we say that dollar-a-year men should be replaced by administrators who are employed by the state at a salary, and who are forbidden to receive any remuneration from private corporations.

Finally, on this question of production and control, it is absolutely essential that labour and farm organizations be properly represented

on all war boards. This is a war for democracy. The workers have no axe to grind other than the one needed to destroy Hitler and Hitlerism. Their zeal, their intelligence, their daily experience should be harnessed through giving them a share in the responsibility of planning and controlling production. In this way greater efficiency could be achieved, a feeling of confidence, self-respect and responsibility instilled into our people, and a measure of democracy introduced into our war effort. Ernest Bevin has wisely said:

> This talk of winning the war means you have to call for the utmost ingenuity you can get from the people, for every ounce of ability they have, for the willingness and courage to take decisions, to make them indifferent to enemy action and carry on. I do not believe you can do that with orders from the top.

In Canada we have taken no account of this important fact. It is only after almost three years of continuous pressure by us and by the labour unions that the Minister of Munitions and Supply (Mr. Howe) has at last condescended to favour labour-management committees. Much more than that is needed. At the bottom there must be union recognition and collective bargaining, and then organized labour should be represented in the top councils as well as in plant committees.

The fifth proposal I enumerated earlier is to limit net profits to 4 per cent on capital actually invested. There is no reason why such a policy should not become immediately the law in Canada. It may well be argued that even 4 per cent is far too generous; that in a war such as the present, with so much at stake, no profits whatever should be made out of the production of war supplies. Again we are prepared to recognize the compromise which may be necessary in order to maintain continuous production. But 4 per cent is an adequate return. No business should demand more in this crisis.

An attempt has been made to foster the idea that the excess profits tax has really eliminated profits. I am quite prepared to admit that it has prevented the kind of profiteering which was known in the last war. But huge profits are still being made. The *Financial Post* for May 30 carries an analysis of the profits made by 146 selected companies. The final showing is that the 1941 net profits of these companies was 8·1 per cent higher than those of 1940 and 2·8 per cent higher than those of 1939. The *Financial Post*, as may be expected, draws the smug conclusion that this shows that profits are reasonable. Such a conclusion is without foundation. For any increase whatever over 1939 and 1940 is scandalous. The 1939 profits were for all industry, with the exception of the railways, among the highest since the last war. To allow in the second year of this war net profits—after all taxes greatly increased depreciation, inventory and other reserves—greater than those of one of the most profitable pre-war years is to make a mockery of the principle of equality of sacrifice. In fact, if the *Financial Post* had, as it should have, compared the 1941 profits with the average made in 1936-39—the basic period under the Excess Profits Tax Act—the 1941 increase would have been very substantially greater.

I have in my hand two tables: one of twenty-three companies which in 1941 made profits up to 30 per cent higher than the average made by the same companies for the basic period 1936-39; the other listing twenty-six companies whose 1941 increase over 1936-39 was 30 per cent or over. The aggregate increase in the first instance was 14 per cent over 1936-39 and 9 per cent over 1940. The aggregate increase in the second group was 62 per cent over 1936-39 and 29 per cent over 1940. I do not propose to take time to read them, but if it is desired, I shall be glad to place these tables on *Hansard*.

Mr. ILSLEY: The hon. member is proposing to limit the profit to 4 per cent. Would that carry a guarantee of profits of 4 per cent?

Mr. COLDWELL: No, it would not carry a guarantee of 4 per cent. I know it will be said that it would not be possible with a 4 per cent return for an industry to build up a reserve to meet post-war conditions, but if everybody was limited to 4 per cent after allowing fair depreciation for different types of industry, I think that would be fair.

The apologists for the monopoly interests and big business point to the increased production and increased capital investment as justification for the increased profits. But what is responsible for the present production and who laid out the added capital expenditure? What right has private monopoly to extort a return on production for which it does not even have to advertise, production which is caused by a world calamity? And do not let us forget that well over half a billion dollars have been invested by our government and that of Britain in the capital expansion made necessary by the war.

The important point in all this is not only the amount of money involved; it is the distortion of the purposes of this war which the situation reveals. It is the suspicion which

is engendered in people's minds. It is the principle of the thing, the injustice and inequality of sacrifice. If we ask young Canadians to submit to another step in the total conscription of their lives, then profits should at least be limited, if not eliminated.

Finally we propose the setting up of a minimum and maximum income and a tax beginning with the minimum and graduated steeply until it is 100 per cent for everything above the maximum. The minimum suggested is that of our present income tax law—$750 for a single man and $1,500 for a married person. As for the maximum I would suggest an amount between $12,000 and $15,000. The President of the United States suggested $25,000 for that country. In New Zealand they have established a maximum of $12,000. Fifteen thousand dollars would therefore seem to be a proportionate amount for Canada. I want to make it clear that the maximum would not be net, but would remain subject to income tax. Now that this parliament has exclusive powers in the income tax field, such a proposal can be conveniently carried out.

It is scandalous and inhuman that we should refuse to increase the miserly benefit now being paid the aged, that we should refuse even to give them the cost of living bonus. It is equally scandalous that we should, even now with maximum employment, have thousands of people living in slums and in bad health.

Our treatment of soldiers' dependents is equally deplorable. Many of them are partly dependent on the generosity of private organizations. Imagine the morale which can be instilled into these people whose breadwinners have gone to give their lives for their country; yet they must depend on private charity to live in decency. Faith in the war, unity among our people for victory, zeal in production—all these indispensable assets of a people at war in a righteous cause, depend upon just and humane treatment of the masses of the people. We must give them something to defend and fight for. And we must show them that in this war no one in the land is allowed an income of excessive luxury.

These are the concrete proposals which we have in mind under a policy of conscription of industry and wealth. I have dealt with them in considerable detail so that no one can hereafter say that they do not know what is meant. I appeal to hon. members to consider this policy on its merits. The time is overdue when we should attain a real total war effort and begin to lay the outlines of the just Canada which we should build after victory.

It is my conviction that such a policy would fire the imagination of all our people, would make clear our objectives in the war and would win the unqualified support of every section of our people for any and every service which may be necessary. Remember the profound homely truth which the Vice-President of the United States enunciated recently:

> The object of this war is to make sure that everybody in the world has the privilege of drinking a quart of milk a day.

Let us plan for this objective in our own country now. If an effective policy of conscription of industry and wealth were introduced now, we believe any restriction on military conscription could justly be removed and we would support it. But the government is not doing anything of the sort. In all respects it will continue the disastrous policy which it pursued until now. It only asks to be free to continue one step further the conscription of human life. The demands of the workers, the pleading of the farmers, the entreaties of the aged, the veterans, the sick and the dependents of the nation's heroes cannot move the government one inch towards greater democracy or justice or total economic conscription. But the shouts of reactionary super-patriotism for human conscription are immediately answered. We cannot and will not agree to giving of further powers for human conscription without concrete measures for the conscription of material resources.

This war, with everything which is at stake in it, with the heroism of whole peoples to inspire us, should have been the occasion for building a deeper unity in our own nation than we have ever known. That the contrary should face us now is a condemnation of the leadership and policies which have guided us since the outbreak of hostilities. I believe the policies which I have outlined could win back that unity, could build this nation into a powerful instrument for victory in the war and for a people's peace afterwards. That is why we urge them at this time.

Mr. SPEAKER: The question is on the amendment. If any hon. member wishes to speak to the relevancy of the amendment, he should do so at this time.

Mr. MACKENZIE (Vancouver Centre): I rise to discuss one point only. I refer Your Honour to page 391 of May, thirteenth edition, which reads:

> Nor may such an amendment deal with the provisions of the bill upon which it is moved, nor anticipate amendments thereto which may be moved in committee, nor attach conditions to the second reading of the bill.

I suggest that the amendment is out of order. There are other points also that could be raised.

Mr. COLDWELL: I would refer Your Honour to Beauchesne's Parliamentary Rules and Forms, page 217, standing order 75, citation 755, which reads:

It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction, or prosecution; or otherwise opposed to its progress; or seeking further information in relation to the bill by committees, commissioners, the production of papers or other evidence or the opinion of judges.

I would submit that under the citation the amendment which I have just moved is clearly in order, because it expresses opinions as to the circumstances connected with the introduction of the bill, and it contains a resolution declaratory of some principle differing from the policy of the bill. I would also direct Your Honour's attention to page 321, where the second readings of bills and amendments thereto is discussed. I direct particular attention to the last paragraph, which reads:

The question being proposed "that Bill No. 133, the Wartime Elections Act, be now read a second time."

Sir Wilfrid Laurier moved in amendment thereto, seconded by Mr. Pugsley: "That this bill be not now read a second time but that it be resolved that the abridgement by this parliament of the electoral franchise now enjoyed in any province of the dominion by any class of His Majesty's subjects would be contrary to the peace, order and good government of Canada."

This refers specifically to the point raised by the Minister of Pensions and National Health. That was an amendment with a declaratory resolution referring specifically to the bill and it was voted upon by the house in 1917. I contend therefore that both under this precedent of the amendment of Sir Wilfrid Laurier—and who in this house will say that Sir Wilfrid Laurier did not set an example in parliamentary procedure which we might well follow?—and under the citation I have made, the amendment I have just moved is in order.

Mr. SPEAKER: What the hon. member quoted from Beauchesne, paragraph 755, is contained in May, thirteenth edition, at pages 390 and 391, and the hon. member has read the citation as contained in Beauchesne. But May at page 391 also states:

Nor may such an amendment deal with the provisions of the bill upon which it is moved, nor anticipate amendments thereto which may be moved in committee, nor attach conditions to the second reading of the bill.

It is upon this quotation I should like to have the observations of the hon. member.

Mr. COLDWELL: Mr. Speaker, I do not refer to the provisions of the bill, nor do I attach any conditions to the second reading of the bill. I suggest that in what I am actually doing I am entirely within my rights in doing as a member of this house—and that is, moving that the bill be not now read a second time; and then I go on to declare why the bill should not be read a second time, thus guiding the government and the house in their subsequent deliberations and actions. I suggest that both under the citation from May and the practice of this house, as indicated by my reference to the Wartime Elections Act of 1917 and Sir Wilfrid Laurier's amendment thereto, the amendment I have moved is in order.

Mr. MACKENZIE KING: The point to which I was going to draw Your Honour's attention arose out of a remark of my hon. friend that the amendment which had been moved by Sir Wilfrid Laurier to a certain bill paralleled his amendment or that his paralleled Sir Wilfrid Laurier's. May I say that the difference between the two is just that to which Your Honour has directed the attention of the hon. member. I do not think there will be found in Sir Wilfrid Laurier's amendment any words which could have been moved in committee as a possible amendment to a clause of the bill, and that is the point on which I think His Honour will rule the present motion of my hon. friend as being out of order. Sir Wilfrid Laurier's amendment was in the nature of a motion of want of confidence in the government, but it did not go the length of setting forth certain provisions which might be moved as amendments in committee, which is what my hon. friend's amendment does. He is anticipating amendments which might possibly be made to the bill when it is in committee. That he cannot do on the second reading of any bill.

Mr. COLDWELL: My allusion to what should be done under this bill had reference to the bill already enacted. The Prime Minister said yesterday that power was in the hands of the government to do all the things that I am suggesting, by the declaratory section of the amendment, ought to be done. It is not that something shall be done, or that the bill shall be amended in committee. There is no need to amend the bill in committee because the power I refer to is already in the act; consequently in my opinion the argument of the Prime Minister on that point falls to the ground.

Mr. MACKENZIE (Vancouver Centre): May I point out, Mr. Speaker, that the citation from May, at page 391, is referred to in "Beauchesne's Parliamentary Rules and Forms," in paragraph 760.

Mr. MacINNIS: I was going to ask the Prime Minister what particular proposals were in the amendment which could be moved when the bill was in committee. I submit that if any such proposals were moved in committee they would be declared out of order as not being within the competence of a private member to move. Such amendments would be to section 2 of the act. I submit that paragraph 755, under standing order 75, places this amendment in order. It reads in part:

It is also competent for a member who desires to place on record any special reasons—

All the hon. member for Rosetown-Biggar is doing in moving his amendment is to place on the record special reasons; therefore I submit that his amendment comes within this wording and is in order.

Mr. SPEAKER: May I also ask the hon. member to look at citation 760, dealing with an amendment.

Mr. MacINNIS: Paragraph 760 says:

The principle of relevancy in an amendment governs every proposed resolution, which must, therefore, "strictly relate to the bill which the house, by its order, has resolved upon considering," and must not include in its scope other bills then standing for consideration by the house.

I submit that the amendment does not include within its scope any other bill that is now standing for consideration. The paragraph goes on:

Nor may such an amendment deal with the provisions of the bill upon which it is moved—

My hon. friend's amendment does not do that.

—nor anticipate amendments thereto which may be moved in committee.

The proposals he makes could not be moved in committee. I am satisfied that his amendment does not anticipate any amendment which could possibly be moved in committee, and therefore I submit that the citation from May cannot be quoted in opposition to the moving of this amendment.

Mr. SLAGHT: The hon. member who proposes the amendment has just informed the house, as I understood him, that everything contained in his proposed amendment is already covered by section 2 of the existing law. If he is right in that, surely this parliament does not permit amendments merely to parrot and reiterate a section of the law in the bill he proposes to amend. It would seem to me that that is a complete answer, and makes his present amendment out of order.

Mr. COLDWELL: In fairness, may I be allowed to reply? I said nothing of the kind. What I did say was that the Prime Minister in his speech of yesterday contended that section 2 of the act, section 3 of which the present bill will amend, gave the government power to do these things. The declaratory portion of the resolution complains that the government has not used that power, if it exists, and in any event is not bringing before the house any proposal to implement any power it alleges it has, and therefore the amendment is moved in the terms in which it has been moved.

Mr. SPEAKER: I think that the question respecting the amendment requires some consideration, and I will give my opinion at eight o'clock.

Mr. HANSON (York-Sunbury): On a point of order, Mr. Speaker, I did not call attention to this during the course of the remarks of the hon. member for Rosetown-Biggar (Mr. Coldwell), but I now call Your Honour's attention to what are the strict rules of this house; and if they are departed from, there is no reason why the leaders of a half-a-dozen so-called parties in this house may not claim the privilege too.

Mr. MACKENZIE (Vancouver Centre): May I point out that if the amendment moved by the hon. member for Rosetown-Biggar was in order, he was entitled to speak as long as he desired; if it was not in order, he was not so entitled.

Mr. SPEAKER: I assume that the leader of the opposition refers to standing order 37, and also to what I said yesterday in regard to the reading of speeches and to the application of the forty-minute rule. It has been the sentiment of the house, whether actually stated or not, that the leaders of the different parties were entitled, or if not entitled were permitted to exceed forty minutes, for the reason that they were the exponents of the party whose policy they were putting before the house.

Mr. HANSON (York-Sunbury): Not a party in the legal sense.

Mr. SPEAKER: If that was the sense of the house and was agreed to unanimously, the leaders were permitted to speak beyond forty minutes. But where exception is taken to

the leaders of these parties exceeding forty minutes I must of course apply the rule as it stands. Standing order 37 states:

No member, except the Prime Minister and the Leader of the Opposition, or a minister moving a government order and the member speaking in reply immediately after such minister, or a member making a motion of "no confidence" in the government—

I am not aware that the terms of the amendment proposed by the hon. member for Rosetown-Biggar are to be considered a motion of "no confidence", but if the amendment is so considered he is entitled to speak at length.

—and a minister replying thereto, shall speak for more than forty minutes at a time in any debate.

If it is the sense of the house that the rule should be strictly applied, I of course shall have to apply it, and hon. members will have to follow it.

Mr. COLDWELL: May I just express my thanks to the house. I quite realize that I was transgressing the rule, but I think the house will agree that I seldom use even the forty minutes that is allowed to me. I want to thank the house for the great courtesy extended to me, and the leader of the opposition for not interrupting when I was speaking.

Mr. MACKENZIE KING: Simply in order that the house may understand exactly what the rule is, I had in my mind much the same intention as that to which the leader of the opposition has just given expression, namely, to direct Your Honour's attention to what was said by Your Honour yesterday which would suggest that the house had as a matter of practice allowed two leaders other than the leader of the opposition and myself, and members of the government, a longer period than forty minutes in which to speak. That question came up, as I recall it, at the first or second session of this parliament, and at the time attention was drawn to the fact that the leader of the opposition is in a very different position from leaders of other groups, in that he is an officer of parliament itself. His appointment is under statute; he is in the same position in many particulars as ministers of the crown, and has a special duty, and for that reason is entitled to a special privilege. But it is equally clear that no one other than ministers of the crown and the leader of the opposition has as a matter of right the privilege of speaking more than forty minutes.

I had not intended to raise the question until after the leader of the Cooperative Commonwealth Federation and the leader of the Social Credit party had spoken, not wishing to interrupt either of them in the course of their remarks. But I do not think, now that the question has been raised, that—

Mr. HANSON (York-Sunbury): What about the other two?

Mr. MACKENZIE KING: I have just been reminded that there are supposed to be two other parties. They are hardly sufficiently grown-up even to claim the recognition that might be claimed for the others. However, I do think it should be understood that the rule will be followed. If as a matter of privilege and courtesy some special wish is expressed, then the house might consider it in the light of the circumstances, but otherwise I think, if I may say so, Your Honour should direct hon. members to recognize the rule.

Mr. SPEAKER: I need hardly add that I assumed that consent was given by the house and that therefore the privilege was extended. But it has now been brought to a definite conclusion in the statements made by the Prime Minister and the Leader of the Opposition; there is objection to any hon. members other than the Prime Minister, ministers of the crown moving government orders, and the Leader of the Opposition exceeding the forty-minute period, and I shall therefore be obliged to apply the rule as it stands. All hon. members will obey the forty-minute rule.

Mr. J. H. BLACKMORE (Lethbridge): As a parliament we are in this debate especially confronted with the problem of how Canada should proceed in order most effectively to mobilize her resources, first, in order that she may win this war, and second, in order that she may win the ensuing peace.

Social credit since its inception has consistently advocated the complete mobilization of Canada's resources for the defence of the Canadian people whether in peace or in war.

This government has conspicuously failed to mobilize completely Canada's national resources, notwithstanding the sweeping and all-comprehensive powers which this parliament unreservedly conferred upon it by the National Resources Mobilization Act of 1940.

In the first place, land resources are far from being fully utilized. In 1941, 6,011,020 acres of wheat land lay idle in summer-fallow, under the wheat acreage reduction regulations of last year. $24,044,080 were paid from the dominion treasury to keep them idle. How could anyone possibly argue that this immense natural resource has been mobilized?

Again, the mineral resources of Canada are, in the light of this war situation, still tragically

idle. On April 12, according to a Canadian Press dispatch, Dr. E. H. Boomer of the university of Alberta, chemical department, said that he had discovered that an average of 150 gallons of gasoline could be extracted from one ton of Alberta coal. On this basis it was estimated that there could be extracted from coal in Alberta 160,894,110 million gallons of gasoline. The coal in Alberta is estimated at 1,072,627,400 thousand tons. In any country which is already regulating and restricting the use of gasoline and is now talking of a coal shortage, such a situation as this must appear to any thinking mind as grotesque. For any man to rise in this parliament and pretend that the resources of Canada have been mobilized is for him to make himself ridiculous in the eyes of any fact-facing person. There are vast resources of iron in Canada which have never been touched, great resources of many other minerals which can be exploited, mobilized and brought to bear on the problem of winning the war.

Not only are these material resources being neglected, but the human resources of Canada are being utilized in a most wasteful manner. There are tremendous spare-time energies of people which in large measure are being neglected. As an illustration of what could be done if the government set itself to do so with a correctly scientific technique, may I cite two cases which have been brought to my attention recently. In western Canada one man is working on the railroad regularly and is farming a three-quarter section farm on the side, and his wife is helping with the stock. Here is an example of what could be done with the spare-time energies of the Canadian people if those energies were mobilized. A teacher in western Canada is conducting his school successfully and on the side is taking care of a dairy farm, supplying his community with milk; he has a considerable flock of poultry and is also running a farm on which there is a substantial herd of swine. That is another illustration of the way in which spare-time energies could be used. The average farm woman could use her spare time and would do so, if she were properly motivated, in producing great quantities of honey, eggs, turkeys, butter, cheese and many other commodities. The main reason why at the present time such activities are not engaged in by our farm women is the low or uncertain price that prevails. Our ordinary office girls who have finished their day's work at five o'clock or thereabouts usually spend the remainder of their time either resting or entertaining themselves or in some pursuit which is not immediately contributing to the war effort of Canada. If the right sort of price structure were built up and the right sort of direction given these girls they would become producers of necessary commodities for the conduct of the war. I suggest the production of fur from chinchilla or mink or fox, especially where girls live on the outskirts of cities or towns. Such fur would supply a valuable commodity and would help obtain needed foreign exchange with which to purchase commodities in the United States and would greatly add to our national wealth and contribute to the strength of our war effort.

In the April 17, 1942, issue of the Ottawa *Citizen* I read:

> The Unemployment Insurance Commission reported last night that about 37,500 men and women were registered on March 31 at the commission's unemployment and claims offices across Canada. The March 31 figure was higher than the previous two months, "notwithstanding the fact that many classes of workers are in demand," the commission's statement said.

The January 31 figure, I am informed, was 31,930; the February 28 figure, 32,211 and the April 30 figure, 33,000, including male, 24,879 and female 8,142, while the May 31 figure was 31,249. These are figures of men and women in Canada who have registered themselves for claims under the Unemployment Insurance Act, clear evidence that these people have been employed and have been thrown out of employment, through some mishap or mismanagement in the conduct of the country's affairs. I am informed by men who are in a good position to make a dependable estimate that, were the real facts known concerning the unemployment in Canada of people who are or would be effective in every respect, we should have the astonishing figure of from 100,000 to 150,000.

In the face of palpable and obvious existing facts, the Prime Minister's fervent, enthusiastic, almost rapturous or even ecstatic effusions claiming that his government has accomplished complete mobilization of Canada's resources appear merely gaudy and flamboyant twaddle, hollow, insubstantial and deceptive.

Why this tragic failure? Is it because of lack of desire on the part of the Prime Minister, on the part of members of the cabinet, on the part of parliament, on the part of the people? A thousand times no. We hear much silly prattle in the country about the need for waking from complacency. The people of Canada are in deadly earnest about this war and are in no way complacent. If they appear so, it is due to mismanagement of the country's affairs. Nor is this failure of mobilization due to any lack of laws and

powers conferred upon the government. The Prime Minister himself, in remarks he made yesterday, indicated that under the National Resources Mobilization Act of 1940 the government possessed virtually all the power to do anything whatsoever it chose to do. Evidently it is not from lack of power or of law. Well, is this failure to mobilize due then to the lack of machines in this country, or to lack of physical organizations for the production and distribution of goods? I think virtually everyone will acknowledge that it is not so. We have sufficient machinery and sufficient organization. Neither is the failure to mobilize owing to lack of a need for the goods which we could produce. With that all will agree.

Then what is the reason why in two years this government has failed, in spite of all its earnest efforts, to mobilize the resources of Canada for this war? The government has failed and will continue to fail so long as it continues to worship at the shrine of our present debt-money financial system. The government must make finance the servant, not the master, in Canada's economic household.

There will be those, perhaps including the governor of the Bank of Canada, who will say that already the dominion government is making finance its servant. That will do for parlour talk but not for an expression of fact to hard-headed business men who know what is taking place. The government has already ceased to sacrifice at the altar of gold; let it now with equal wisdom, vision and courage renounce the worship of the false goddess of debt.

How can Canada's resources be mobilized? I maintain that every available man and woman in Canada can be mobilized and stimulated and motivated to any desirable kind or degree of activity and efficiency by three simple devices; by use of credit facilities; by the use of market facilities, which need not be foreign markets; and by the use of prices or wages.

If this can be proved to be the case, and it can, then to pass an amendment to the act of 1940 is idle and futile, and will result in disillusionment, as the passage of the act itself did. I recall how when we were discussing that measure I was accused of being a sort of public enemy number one because I had the temerity to ask that the discussion should be protracted one more day. Now we have had the act for two years, and still we long for adequate action!

As to what the credit facilities in Canada could achieve, may I speak briefly. Credit advanced to industry would encourage the production of gasoline immediately. Hon. members will recall, when the other day I rather pointedly asked the Minister of Munitions and Supply (Mr. Howe) what the government was doing to bring about an increase in the production of certain commodities in Canada, how helpless was his reply; how it indicated that the government simply drifted along and apparently prayed that some person would come forward and go into a field and develop the production of vital war needs of Canada. Laissez-faire with emphasis! But the advance of credit from this government to prospective companies that might develop the gasoline resources of this country would have almost a magic effect on the production of gasoline. A similar thing is true in respect of steel, coal, alcohol, sugar, fruit, lumber, and a great variety of commodities, of every one of which this country is in danger of experiencing a shortage.

Furthermore, if credit were advanced to farmers in order to produce, say sheep, granted inexpensively, say at a rate of 2 per cent or less, and for a long enough period of time, say two or three or four years, to enable the farmer to get into the business before he had to pay back the loan, an astonishing impetus would be given to the production of primary products, meat and animal products of all kinds, fish, and the like. And if credit facilities were made available to students or prospective students throughout Canada to enable them to prepare themselves for important work for their country's destiny, it would surprise the whole country to see how rapidly the youth of Canada would be mobilized in the class rooms to acquire important skills which might mean the very existence of Canada.

Let me turn to the question of markets as a means of mobilizing Canada's resources. If a market were assured to labour in this country so that, for example, a man would know that when he became a skilled mechanic he would forthwith be employed, in other words if he knew that as soon as he was qualified for a given kind of work he could get that work, the encouragement which would be extended to the preparation of youth for the tasks of life would be beyond measure. And the encouragement to added efficiency would produce a great improvement. The assurance which would be given immediately to large numbers of men who are to-day working in industry, who realize that perhaps in a year or two their work may disappear and they may be faced with a long period of desolating unemployment and therefore feel that they must strike in order to gain a little extra savings while there is a chance—I say the assurance which would be given to these men would

greatly decrease the tension which is observable throughout Canada to-day. If the government offered work to everyone who wished to work, regardless of his age, the government would again help to mobilize man-power.

When I was a boy we used to take great pride in seeing men of sixty-six to seventy or seventy-five years of age stack grain or give a hand pitching bundles on the rack or do any kind of work on the farm. I have seen men of sixty-nine or seventy who were able to stand up and do their full part in a grain field or hay field. But what happens now when they get to be sixty-five—yes, fifty-five? In a general way they are unable to find work, which means that they are not able to do anything for their country. They are not mobilized, but are being disregarded in the economic life of the country.

If markets were guaranteed for goods such as pork, milk, apples, wool, not only this year but next year and three years from now, with what added confidence would the farmers throughout this land equip themselves for the production of those various commodities, and what a tremendous addition to the production of this country would result. How much farther the government could go in mobilizing the human and material resources of the country! I maintain that two of the most potent means of mobilizing the country's natural resources are credit and markets.

I come now to the third means—prices. Prices in this land must be subsidized, if need be, to guarantee the cost of production plus a profit sufficient to enable producers to make a good living for a family. Also prices to the consumers must be discounted where necessary, in order to enable them to buy their needs without undue suffering or hardship.

The evening before last I illustrated this point by reference to the policy of the British government with respect to eggs. At that time I pointed out that that government is paying the producers 75 cents a dozen for eggs, and selling them to the consumer for 50 cents, thereby absorbing the 25 cents. The British government, hard pressed as it is in every way, is finding such policy excellent business. This instance illustrates the possibility of government management with respect to price. By the adoption of that simple device the British government is stimulating the maximum production of eggs in Great Britain, and is taking the precaution to prevent inflation in egg prices by keeping the price down, through subsidies.

Wages can be used to motivate a greater and greater effort by Canada in mobilizing her resources. Wages must be subsidized where necessary. I will grant that that involves an unorthodox principle, but I would point out that we are finding the need for the application of many unorthodox principles, because we are living, sir, in an unorthodox age. If need be, wages must be subsidized to guarantee a good living for a family, to guarantee the possibility of saving, and to ensure that any increase in wages will not necessarily produce an increase in the cost of goods and thereby tend toward inflation. Increases to wage earners may be given in the form of savings certificates, if that method is thought wise, or of bonds, or of credits for post-war use, wherever the increases are not immediately needed for the requirements of the family. Given in this form, they will not immediately add to the purchasing power of the country, thereby putting pressure on prices, but will be in the people's hands as a guarantee that when the war production machine is transformed to the production of consumer goods for home consumption there will be an adequate supply of buying power to absorb those goods.

The proposal of the Prime Minister has largely to do with getting more soldiers. Let us for the moment give some attention to this matter of getting more soldiers. I would point out to the house that only recently the United States has raised the pay of its soldiers to $50 a month. Is there any reason why Canada should not raise the pay of her soldiers to $50 a month? I believe that as the result of such a change the government would find a considerable influx of soldiers into the ranks. I suggest the government should find out why it is that while we have a waiting list for the navy and a waiting list for the air force, we have no waiting list for the army. Why is it that the condition which has grown up in our procedure with respect to soldiers, and which has created a hesitancy on the part of our youth to enter the ranks of the army, has not been removed? The cause should be discovered, and, with the greatest determination, removed, so that our boys will join the army just as gladly as they will join the air force or the navy.

I suggest another measure which would help bring the boys in. Why not guarantee to every soldier who enters our ranks that he will not only receive $50 a month for the duration of the war, but will from that time forward, to the end of his days, in case he needs it, receive $50 a month? Why should we not also tell the boys—and mean it—that the wife of each man in the forces will receive $50 a month, whether her husband lives or dies? Why should we not guarantee liberal allowances for each child?

The policy now pursued indicates that the government of Canada is not concerned about having an increase in population. It indicates

that the government has little thought about who is going to grow up, perhaps to fight the next war in another generation. Men who have raised considerable families are actually penalized, and I submit that that is a completely foolish policy. Why not grant a liberal allowance upon the birth of every child? Why should a soldier and his wife be penalized at the birth of a child—to the extent that they dread such birth? Why should they have to pay hospitalization, doctor's bills and other expenses incidental to the bringing into the world of a new Canadian? Why not agree that from this time forward such expenses will be met by the people of Canada as a whole—because the soldier's child is a precious heritage to this country. Why should not the child of a soldier be guaranteed a certain income per month until he reaches the age of sixteen years? Why should we not guarantee to every soldier and his dependents state hospitalization, state medicine and state dental care? Why should we not guarantee housing, fuel and lighting at reasonable rates?

It is all too well known how infamous is the condition in this country, when men and women having five or six children are unable to find places in which to live because the people who have accommodation to rent will not rent houses to families. Why should any man who takes up arms in defence of this country be confronted with a situation as humiliating and heartbreaking as that? Why should not the government guarantee to the men that if homes cannot be found the government will advance loans with which the soldiers may build their homes? Why should they not be guaranteed fuel and lighting? Why should we not guarantee them the education of each child until he or she is twenty-one years of age?

Some will say, "The proposal you are making would surely bankrupt the country." Well, Mr. Speaker, they are doing such things as that for virtually everyone in New Zealand, a country far less richly and extensively endowed in resources than Canada is. If Canada is not willing to guarantee as much for its family man, then I say, "Shame on the Dominion of Canada!" If it were determined that such guarantees were to be given to the men, and if such changes in our economic system were made as would render it possible to guarantee such things to them, we would find a tremendous acquisition to our fighting forces, and would need no conscription to fill our ranks.

I wish to refer briefly to the matter of industry, to which some references have been made. When war broke out in 1939 the members of the New Democracy party stood for the conscription of finance and industry before man-power. May I turn briefly to the matter of conscription of industry. I have not yet spoken about the conscription of finance, but I shall do so before I take my seat. I have, however, referred to some of the things which could be achieved if the government of this country had the courage, the determination and the vision to conscript finance.

How can we control our industries? We have several potent means of controlling any industry in this country, it matters not who owns it. The first one of these is through the price of its products, and the price of its raw materials. This government can manage so that the price of raw materials and products of any industries in this country can be placed at whatever figure the government chooses to place them, by the payment of subsidies and other devices.

This government can control freight rates to the advantage or disadvantage of any industry in this country. It can control markets; it can withhold or give contracts. It can control loans and credit; it can give bonuses or remit taxes. All these devices will successfully control industry within our gates. It is the contention of the members of this group that it is not necessary for the government to own any industry. It may be found advisable to own some industries, but in a general way this group conceives a state in which all industry and the means of production shall be individually owned.

Nevertheless this group conceives a state in which industry shall do what the state tells it to do. Why should such an outrage as has been referred to already, in the Dumart plant, continue unchecked? If an industry simply refuses to obey the directions of government, then the government without hesitation should force it to sell its shares to the government or to some other industry which would be prepared to obey the government's will and fall into cooperation. There are other forms of compulsion which could be used. As a result of the application of these devices it would be possible to conscript completely industry in this country, which means to bring it under control so that it will cooperate with the state for the people of the state.

The question will be asked, how can Canada afford to spend all the money necessary for all these purposes? I say that Canada must and can develop and use Canada's credit in such a manner and to such a degree as will enable her to do for her people those good things which everyone

agrees should be done and which her resources manifestly fit her to do. The question which really matters is this: can Canada produce enough milk, and will she be able to produce enough milk during the next fifty years to provide every returned man with all the milk which he and his family need? The answer is emphatically, "Yes. Of course she can!" Then why deny it to the people? Why not offer it to them? Can Canada not produce enough meat, fruits, lumber, fuel; can Canada not train sufficient doctors and teachers to provide her fighters and her people with a decent standard of living? The answer must be unquestionably that she can. Reason would dictate that she do so and then distribute the goods.

Canada can so develop her credit by use of a modern monetary technique. I should like to read several excerpts from an article by A. A. Berle, Jr., assistant United States secretary of state, which is reported to have appeared in October, 1941, *Fortune,* and which indicates that there are other people who are thinking along the lines that I am thinking along. I quote:

> There is no need for fear. Rather, we shall have an opportunity to create the most brilliant economic epoch the U.S. has yet seen. It is entirely feasible to make the country at once more prosperous and more free than it has ever been. We shall have in our hands the tools by which we can create a greater amount of economic justice, without sacrificing any of the essential freedoms.

May I pause to comment that if the government institutes a policy of owning the industries of this country, many freedoms of Canadians will be destroyed. But it is not necessary to organize on that basis. I quote again:

> We shall come out of this (war) with an enormous expansion of plant capacity. At once the problem will have to be faced of shifting over these plants into work that is of use in a healthy, peace-time world. That means changing factories, machinery, and the processes so that they will turn out something that you and I can actually want and can use in civilian life. Big as this problem appears, we are technically prepared to solve it.

Then he deals with the matter of money as follows:

> This raises the subject of finance. Finance is the easiest of the several problems we have to solve.

It must be remembered that here was a man speaking with his reputation at stake, a man who stands high in the United States government. Yet he says solemnly that finance is the easiest of the several problems we have to solve. I continue:

> Nevertheless, it is in this field we are going to have the greatest difficulty.

[Mr. Blackmore.]

I agree that that will be the situation as long as we have stupid mentalities in control, who insist on continuing as they have done in the past. I quote:

> The difficulty is not real. Technically, the solutions are sufficiently simple. The proper attitude towards dealing with a financial problem to-day is to consider finance as a job for a technical crew in the government. The specifications are relatively simple. So long as labour is available, materials are handy, and technical skill can be hired, the words "we cannot afford it" are absurd.

I maintain that such is the situation. Social credit and new democracy favour conscription of finance and industry before man-power. What do we mean by conscription of finance? Briefly, we mean that the government shall assume and exercise the function of creating and using new money which the goods-and-services-producing-and-consuming power of the country will support without inflation. I maintain that if the Prime Minister (Mr. Mackenzie King) will call his cabinet together and then call in some people who have vision to assist them, they will be able to devise the means whereby they could mobilize all the resources of Canada, both human and material, in so far as it is necessary, in so far as the man-power will permit, without conscripting man-power.

I suggest to them that they seriously consider this possibility. Especially is this needful now that an almost stupid policy has been followed in this country since the outbreak of the war with the result that great numbers of our citizens have been aroused against the government policy of conscription. I suggest that under these circumstances the government should seriously consider the proposal that they conscript and use the financial power of this dominion. That does not mean that they shall take away a man's bank balance; that does not mean that they shall put on such a tax structure as will be onerous and injurious to the country's economic life, but it does mean that they shall assume and exercise the power to create the community's new money and will use that power in the best interests of the state.

Hon. P. J. A. CARDIN (Richelieu-Verchères): Mr. Speaker, at the outset of my remarks I ask to be excused by you and by the hon. members of the house for my very imperfect English. I have not attempted to prepare in advance the observations that I propose to make, in order that I may read them now. I intend to express my views as I would in ordinary conversation without any idea of making any contribution to literature. Listening yesterday to the able and well prepared speech of the Prime Minister (Mr. Mackenzie

King), and also to the well prepared speech of the Leader of the Opposition (Mr. Hanson), and closing my eyes I could call to memory the words and arguments presented in parliament in 1917 when Sir Robert Borden and Mr. Meighen introduced their legislation for conscription. There was no difference. The same arguments that I heard in 1917 have been offered in this house by the Prime Minister and by the Leader of the Opposition. No difference—no change! History repeats itself. As in those days, not a scintilla of evidence has been produced to show the necessity of having recourse to such a measure at the present time —not one word. On the contrary we have still before us the declaration of the Prime Minister and of the Minister of National Defence (Mr. Ralston) that the voluntary system is working sufficiently well and meeting the needs of the present.

It reminded me also of something which is sadder to my soul. I remember having taken part in a by-election around 1916 or 1917 in which a Conservative candidate was offering himself to the electors in one of the Quebec district constituencies. Relying on the promises that had been made by the Prime Minister of the day, Sir Robert Borden, that he would not have recourse to conscription, that the voluntary system would be the only system he would adopt for prosecuting the war, this candidate said to his electors, "You see, gentlemen, in what position you are placed. You have the guarantee of the Prime Minister of to-day that you are not going to have conscription from the Conservative party. Beware," said he, "lest you might have conscription from the Liberal party if you turn your back on Sir Robert Borden at the present time."

It is to my sorrow that the principle of compulsory military service for overseas has been presented in this house by the Liberal party and by my leader. The bill that is now before the house embodies the principle of conscription for overseas service. We already have, we were told yesterday, the principle of conscription, in the mobilization act, except for service overseas. I remember very clearly the speeches that were delivered in this house when that law was being enacted. I remember what I said myself with the authority of all the members of the government. I remember very well what the late Right Hon. Ernest Lapointe said to those who were opposing the adoption of that law. He said that we would never resort to conscription for service overseas. But the amendment that is now being introduced has the effect of establishing conscription for overseas service, though there is no present necessity for such action. Not a particle of evidence has been given to indicate that it is necessary for parliament to adopt such a measure at the present time.

Let no one be mistaken as to the situation. When clause 3 of the bill is deleted we shall have on the statute books of Canada compulsory military service for anywhere in the world, or any theatre of war in the world. It is not to be put into effect by act of parliament, as it was in 1917, with the regulations attached to the bill and presented to parliament. No; it is to be done by order in council, and it may very well be that the order in council applying conscription, forcing the boys of Canada to fight anywhere in the world will be kept secret. That is provided for in the law, by section 5 of the mobilization act, as it now stands.

Let no hon. member be deceived as to the consequences of the vote that he will give on this measure. Let him not be led astray by what is being said. It is said, there is no necessity for conscription now; and that we do not need conscription at the present time; but only the power to apply it. That is the line of argument which is being very much used in the province of Quebec. They have been trying to appease public opinion there by saying during the past three weeks through the newspapers and radio: "Do not worry; do not be afraid; you are not going to be conscripted; the law which is going to be placed on the statute book is not going to be applied; it is only a gesture made for the purpose of appeasing certain people in other sections of the country."

This is the last opportunity, Mr. Speaker, that the parliament of Canada will have of expressing its will on the principle of conscription for overseas service. There will be no other opportunity for the representatives of the people in parliament to express their judgment or their opinion on this vital question.

It is suggested that the bill is the result of the plebiscite. But, Mr. Speaker, we were told that the plebiscite was not a vote on conscription. It was said, and repeated over and over again, that the plebiscite did not mean conscription. Then how is it that as soon as the votes are counted, as soon as the ballots are in, a bill embodying the principle of conscription for overseas service is presented to this house? Why were the electors of Canada told in the plebiscite campaign when we asked them to release the government

from a moral obligation, that there was no legal objection in the way. Why did we state that we wanted to be released from a moral obligation pure and simple? Why did we not tell them that the plebiscite meant conscription? I have no time to go to the record and quote from speeches which the Prime Minister made both in the House of Commons and outside the house stating that the government simply wanted to be released from a moral obligation. We never asked power to abrogate Section 3 of the Mobilization Act.

We are now faced with a measure of conscription for service overseas, resulting from an action which, according to the Prime Minister himself and all those who asked for a "yes" vote on the plebiscite of the 27th of April last, did not mean conscription.

When clause 3 is deleted from the mobilization act, it will stand deleted not only for this government but for any other government that may succeed the present one. It is going to be the law of the land, and any government succeeding the present one, any Prime Minister succeeding the present Prime Minister, will have the law in his hand and will be in a position to apply the principle by a simple order in council which he will have the right to keep in secret drawers in his office. That is the position.

There are those who say, "Well, what is the use of making so much noise? Conscription is not going to be applied and is not necessary." Well, Mr. Speaker, if conscription is not necessary at the present time, why, in the name of God, authorize it? Why interpret the vote on the plebiscite, which was not a vote on conscription, as if it had been a vote on the issue of conscription? If it was the intention why then have they not been frank enough to indicate it to the public? Why did we not ask the people of Canada whether they were in favour of conscription—yes or no? Trusting the people as we should have trusted them, we should not have been afraid of asking the question squarely and without, in any way, avoiding the issue. That is my view. We should have faced the issue squarely. If it was a question of releasing the government from a legal obligation, why not say that the government wanted to know if the people of Canada were ready to delete clause three of the mobilization act? No, it was too clear an issue. We had to adopt another way. After having argued that it was not a question of conscription, it is now desired to interpret the answer as being in favour of conscription. But there is more. It has been said all through the campaign on the plebiscite that parliament would be consulted, and that every decision of the government would be taken in the light of its responsibilities to parliament. We told the people that the government would adopt a policy according to the need of the moment, and come before parliament, explain it in black and white, and give the representatives of the country in this house, the advantage of judging the issue on its merit. After all that, what are we doing? We are not doing what we have told the people we would do. We are playing on words.

It was said yesterday that a full discussion of conscription was welcome, that it would give parliament the opportunity to express its will on that very important question. But that is not the question which was placed before the electors. We said to the electors, that in the light of a new situation that might arise we would later on adopt the required policy. That is what the Prime Minister said on February 25 last, "Later on, when the need is apparent, when the necessity is clear to everyone, in the light of the information that will be given to us by the military authorities, the government will take its stand and will come before parliament with the reasons justifying the attitude." "Later on" has become to-day.

I am told I used the wrong expression in my letter of resignation in saying that a new policy had been adopted. I am perfectly justified, I claim, in saying that this is a new policy. We have not respected the pledge which we gave to the electors during the campaign on the plebiscite. We said action would be taken when the necessity would have arisen later on, and now we are interpreting it as meaning "to-day". And legislation is presented to do away with a legal objection, when we told the electors that there was no legal objection. We have discovered an objection since the plebiscite, since the majority of the country has voted yes, and the province of Quebec alone voted no. The new legal objection, is clause three. That is not a great discovery. It has existed in our legislation for a very long time. We should have been frank enough to say to the electors of Canada, "After you have freed us from our pledges during the campaign, we propose to abolish and to delete clause three of the National Resources Mobilization Act." That is what we should have said, but we did not say it. We said to the electors, "The government is going to wait until a new situation arises, until new conditions prevail, to adopt the policy which should be adopted to meet the situation, and then we will come before parliament." There are many reasons, Mr. Speaker, which convince me that I was right in stating in my letter that the policy

of the government at the present time is a new policy if it is compared with the one which was enunciated by the Prime Minister on February 25 last, and in his two broadcasts over the Canadian network.

There is no necessity at the present time to impose conscription. There is no haste to proceed with such an important measure, which is likely, in the words of the Prime Minister, and in the words of the Leader of the Opposition as well, to destroy the good understanding which has been established between the two races in Canada for the last forty or fifty years, through troubled hours and difficult days, by the leaders of all parties and those who have taken part in the public life of Canada.

With the deepest feeling of sincerity I say now to the government, wait please, wait for the necessity to arise. Let us wait for the need to present itself, and then we shall be in a position to judge according to circumstances what course Canada should follow, what policy Canada should adopt.

It is no argument, as I see it, to say that such a course would involve delay and that the House of Commons and the Senate would require time to adopt the procedure for conscription if the need should come. That is no argument. Parliament can be summoned to Ottawa in seven days. In seven days we can be called here to decide on any emergency which may arise in Canada or elsewhere. In seven days conscripts are not going to be sent overseas. It will take more than seven days or ten days or fifteen days or a month to send the conscripts overseas. Nothing would prevent the government from preparing the machinery the moment they decide to have recourse to conscription. Nothing would prevent them from calling parliament together and ask for advice and support. It would be far better than trying now to delete Clause 3 and saying "that we have no intention of abiding by the result of our action in parliament." In the name of heaven, what is the use of having a dead principle in our statute books and destroying the good understanding that has existed throughout Canada.

Let us be frank. I am not ashamed to raise my voice in this parliament although I come from a minority—from the province of Quebec. I am not afraid and I am not ashamed. We have the right, as any other representative, to speak in this house in the name of the French minority; I have the right to speak in the name of those whom I am supposed to represent here. I take second place to no one, so far as Canadianism is concerned. I have done my duty.

I repeat, let us be frank. If we had asked the electors of Canada whether they were in favour of or against conscription for service overseas, the vote would have been different from that which was registered on April 27.

It is all very well to say that we have been released from our pledges. Yes; we have been released from these pledges by those to whom they had no meaning or no effect in the election. The pledges that were given in the election of 1940 were given by both parties, the opposition as well as the government. In those days the pledges were given to appease public opinion and to collect votes in the province of Quebec. Both parties did it at that time, and now it is said that we have been released. Yes, I repeat, released by those who were not interested at all in those pledges, and in constituencies where the pledges were not an issue during the election. It was easy for those gentlemen who had not spoken of these pledges during their election to ask for a yes vote in their constituencies. It was all right for them to go to their constituents and ask that freedom be given the government to impose conscription. That was an easy task, and it was a victory—let me say this without any implied insult to these hon. gentlemen—without any great honour, because it was a foregone conclusion. My position was different. When I appealed to my people in the province of Quebec, to whom the pledges had been given, in the most sacred and solemn manner that pledges could be given, by the Prime Minister, by the late Mr. Lapointe, by myself and by other members from the province of Quebec, my task was not the same as that which faced these other hon. gentlemen. We did not get the same answer that they received. That should surprise no one.

For fifty years, for sixty years, yes from the time of confederation up to the present time, arguments have been used to induce the people of Quebec to believe that they would never be forced to go to war outside the limits of the country which had been wrested from the wilderness and from savages and given to Christianity by their ancestors. The people of Quebec, the minority in Canada, as I have said, have no reason to be ashamed of the attitude its members are taking.

So far as I am concerned I have a quiet conscience as a result of the course I have taken in resigning the two portfolios which the Prime Minister was kind enough to bestow on me a few years ago. I feel that I have done my duty as a man who wishes to honour his word and respect his pledges and his declarations, who wishes to be able to walk with his head erect among the citizens

of his province. I have no excuse to offer. My conscience is at peace, whether I am understood or not in my province by proprietors of newspapers. I may have something to say later on in this debate in regard to propaganda that is being carried on in the province of Quebec in an endeavour to frustrate the effort that I have been making and the effort that other members from Quebec are trying to make. Some other day I may have something more to say.

Who can raise his voice in this house and say that the province of Quebec has been lacking in cooperation with the rest of Canada in every activity, in war as well as in any other line of endeavour? We have been doing our share every moment, in every crisis, in every difficult time that confronted Canada. We have measured up to the standard. But we have never been able, even to this moment, to know definitely how many French Canadians have enlisted in English-speaking regiments. A member of the administration of 1917, after he was out of politics, complained that even in his day, in 1917 and subsequently he could never get information as to the number of French Canadians who had enlisted in so-called English-speaking regiments. We cannot get that information. We have never been able to get it.

When you start to compare the enlistments in other sections of Canada with the enlistments in the province of Quebec, you should be sure of your figures. There are many factors that have to be taken into consideration before condemning the population of the province of Quebec or before we sustain the censure of certain military men who are mixing in politics instead of fulfilling their military duties. This is a point that needs to be emphasized, and a point upon which many details should be obtained before condemnation is passed on the race which was the first established on the land of Canada.

Mr. Speaker, yourself and most hon. members of this house belong to the British race. You are proud of it, and I compliment you upon it. You have many reasons to be proud of being descendants of the great British race. But it is not your fault; it is an accident of nature. I am a descendant of the founders of Canada, those who first discovered and established this land as a civilized country. I am proud of my race. It is not my fault; it is an accident of nature. But when we come to consider problems such as the one confronting us at the present time, immediately any man who has any elementary knowledge of psychology will understand that your response is going to be much quicker than mine. Why? Because I have to

reason in my mind why I have to support the British flag and spend my energies and my life for the defence of the British rule in this country or perhaps elsewhere. It is the result of thinking, the result of reasoning, if I come to that conclusion. With you it is the impulse of the heart. Your heart becomes inflamed as soon as the name of England, of the British empire, is mentioned. It is quite natural, it is in your blood; it is your blood that makes that impulse. It cannot be the same with me. It would be against nature. I have to reason why I should take that step or not take it. I hope that my position is understood from that point of view. My position being understood, the position of the French Canadian is also understood.

We are law-abiding citizens. But we have been left alone, outside of the economic field, for years and years. An hon. gentleman spoke of the conscription of wealth; there is no great wealth to be conscripted from the hands of French Canadians, because they have no great share in the economic development of Canada. They have been kept outside of that field, through circumstances, through conditions of which I have no time at present to give further explanation. But we have lived alone in our corner, in our little part of Canada. We have always been told by the representatives or the leaders of all parties in this house, when they wanted our votes, that we should not be forced to go and fight outside the limits of Canada. This is not new; it has been repeated over and over again since confederation. Is it surprising that to-day the same answer is not as readily obtained in my province as is found elsewhere?

The French Canadians, in order to maintain unity in this country have been making many and many concessions to the majority. We are a minority. It is true, it is the duty, unfortunately, of a minority to make concessions to the majority. We have been fulfilling that duty freely since confederation. I venture to say to the face of the country that we have made concessions upon concessions since confederation, in order to keep peace, harmony, good-will and good understanding between the two races in Canada.

But there comes a time when concession means betrayal of the people one is representing in parliament. I do not want to pass that limit.

It was not a pleasure for the late Mr. Lapointe and myself to leave our duties here when we were ministers of the crown and go into Quebec province to take part in a provincial election and turn the provincial issue into a federal issue in urging our people to approve the participation of Canada in the

war. This at the very beginning when the mind of the people was so agitated. We had the courage to go there and do our utmost to sustain good understanding between the two races and national unity. We reasoned with the people of Quebec in those days. But we had to tell them that our participation in the war would be limited to the voluntary system. That was not my word only, not the word of the late Mr. Lapointe only; it was the word of the Prime Minister. We carried with those pledges. When 1940 came, a year after we had entered the war, we went there again to urge the approval of the province of Quebec to the programme of the federal government and of the expenditures it demanded from the Canadian treasury. It took some courage then; I can boast about it without being ashamed. It took some courage to go there and preach the same doctrine and tell our people that they should continue participation in the war almost to the last dollar, even to the last dollar that we could borrow. We succeeded. We succeeded with the promise given that as far as man-power was concerned it was going to be voluntary and nothing else.

The plebiscite came. Mind you, Mr. Speaker, it came only two years after we had given, to use the words of the Prime Minister, those "solemn pledges" to the people of the province of Quebec. No wonder that we did not then get the response that I myself expected, although I may say I participated in that campaign at the risk of my own life. But we did not get that result. We accepted 1939; we accepted 1940; we accepted the plebiscite as a way between, in order to adjust our difficulties, and as compromise in order to preserve Canadian unity in Canada.

We said during the plebiscite that the supremacy of parliament would be preserved, that the representatives of parliament would be consulted before any policy of conscription for overseas would be adopted—not consulted in deleting clause 3, but consulted on a programme which would be adopted after representations had been made by the military authorities, and after the need had been shown for the application of conscription. That is not the programme which is now being considered. That is not what we said to the electors, that conscription would be decided on its merits. We are not deciding conscription on its merits. We are not by deleting clause 3, in the light of any new developments, in the light of any new demands, or in the light of new necessities. This is a mere expediency. There is no indication that any need is at present existing. We are playing on words.

We were to discuss what? Conscription in the light of new needs, new necessities, or a change of conditions justifying a change of policy, not a general or academic discussion of the principle. We were told by the Prime Minister that we would discuss the question on its merits, the facts being placed before parliament. Where are the facts? They are not before us. We have before us a declaration that conscription is not necessary and in all probability will never be necessary, unless something of a spectacular nature develops.

The province of Quebec deserves to be listened to in this house, because, although it is a minority, because of the promises made. When that province was asked if there would be a release from the promise made by the government, it said "no". I submit to the majority. I do not want to dictate to the majority in Canada what their policy should be. But there is nothing before us to indicate exactly that a majority of the electors of Canada ever said "yes" in favour of conscription. That is not the situation, because the question was not placed before them. Some people said to me not long ago, "I think your government was afraid of placing the question squarely before the electors on the plebiscite." Indeed, how can we say what the majority did want, when the Prime Minister himself said yesterday that there was no question of conscription when the plebiscite was before the electors? Well, if there was no question of conscription before the electors at the time of the plebiscite, where is the majority favouring this measure?

And if we want to analyse the votes it will be found that the votes in many English-speaking parts of Canada were fifty-fifty—fifty "no" and fifty "yes". I cannot mention any names, or give away any secrets, but I know that many of my English-speaking friends in this house—on both sides of the house—have in their minds that a very large section of their constituents are against conscription for overseas service. They have expressed that view to me, that if the vote had been taken on a straight "yes" or "no", either in favour of or against conscription, the result would have been different. I would not say there would have been a majority of "no" votes, but the "no" votes would have been increased, in very large measure.

The minority does not want to dictate to the majority. But I am afraid that at present the government is listening to a minority which is much less important than the French minority in Canada. It is as the result of rumblings which have been heard from certain corners of Canada that the government has

been pushed, step by step, to the last ditch, by making concession after concession, until it has now reached the point where it has to pass the law that it is striving now to place upon the statute books.

Mr. SPEAKER: May I point out that it is now almost ten minutes after six. Is it the pleasure of the house that the hon. member continue?

Some hon. MEMBERS: Yes.

Mr. CARDIN: I am sorry to be placed in this position, Mr. Speaker. I had intended concluding my speech before six o'clock, and I have only a few words more to say. When one speaks extemporaneously, it is not like making a set speech which can be timed before delivery. I thank hon. members for their kindness in my regard. They understand, I am sure, the difficult position in which I am placed, and the embarrassing situation which is mine at the present time.

There are many other features I should like to touch upon, but time does not permit. I wish only to repeat that no hon. member should be deceived as to what is going to happen after clause 3 is deleted. I can only refer hon. members to section 5 of the National Resources Mobilization Act, which provides the only source of information parliament is going to have in regard to conscription, if the government decides one day to apply it. We are going to be favoured with a copy of an order in council applying conscription. But it is only half a favour, because the proviso to section 5 reads:

> Provided that any of the steps specified in this section may be omitted or deferred if the governor in council considers such omission or deferment necessary in the national interest having regard to the special circumstances.

After section 3 has been deleted, conscription may be applied without parliament being informed, without the order in council being placed upon the table of the house even though parliament is sitting. Our boys will be sent overseas without anyone knowing that they have been sent; the order in council sending them can be kept secret, kept from parliament and from the public. That is the implication of what is here. One may say that that was the law. It was the law when I approved of it, but that law applied to the defence of my country only and to the territorial waters and possibly to adjacent territories. But when it comes to sending our boys anywhere in the world on the advice of the military authorities, I say it is not fair that this should be done without parliament being consulted or even advised.

That is the position in which we shall find ourselves when section 3 has been deleted.

When section 3 has been deleted the mobilization act will place trainees on the same footing as volunteers. There will be no difference; they will be in the same class, liable to be sent anywhere at the will of the military authorities, approved by an order in council which may be kept in a drawer for as long as the government may decide to keep it there. That will be the position in which we shall find ourselves after this legislation is enacted.

It is all very well to say that there should be no anxiety, because the principle is not going to be applied. We are amending legislation which is already in operation. We are amending legislation which called men to serve in Canada. When this section is deleted, the effect will be retroactive and will apply to the trainees who have been called already. They will be placed on the same footing as the volunteers, and a simple order in council can send them overseas, just as it takes an order in council to send any regiment of volunteers overseas. No regular regiment can be sent abroad without an order in council being passed, because we must provide for transportation and for many other things. When section 3 has been deleted we can just dispense with the voluntary system and proceed with conscription only.

It is all very well to say that it will not be applied. What is the use of arguing in that way? The trainees are scattered all over Canada among regiments composed of volunteers. We have English-speaking soldiers, in Montreal and French-Canadian soldiers are sent outside the province of Quebec to be trained. When there is a somewhat large number of French-Canadian soldiers they are divided among the regular units. When those regiments are called upon to go overseas to replace casualties or as reinforcements, the authorities are not going to choose David, James and Harry who came in under the National Resources Mobilization Act, and say, "You will not go overseas." That would be absurd; it would create chaos in the administration of our national defence. Once section 3 is deleted and those trainees are in a regiment, they will go with the regiment. The order in council sending the regiment overseas will cover them as well. It would be a disruption of our whole organization of national defence to do otherwise.

I want to thank you, Mr. Speaker, and members of the house, for your kindness and generosity. I conclude by saying that I want to respect the word I have given to my

electors. Some of you want to vote on this bill according to the vote that was given in your constituency on the plebiscite. You want to respect that vote; you want to say, "I am going to obey the will of these people and vote according to their wishes". Why would you deny me the same privilege of respecting the will of the population of my province after I have done all I could to have them see the question otherwise? I want to keep my word to these people. Despite what Burke has said, the only democratic system that is worthy of the name is the one that is based on respect for the will of the people. Burke never faced elections as we have them. If my memory serves me right, he was elected by one man instead of being elected by the majority of the citizens of his division.

But I have a still better authority. When the leader of the opposition asked the government to take the responsibility of proceeding without a plebiscite he was answered by the Prime Minister that we ought to respect the will of the people, that we have no mandate except the mandate that we received from the people who elected us to this House of Commons. That was the answer of the Prime Minister, and it is in black and white in the report of the speech which he delivered on February 25. The plebiscite was an absolute contradiction of the Prime Minister's new theory, because the plebiscite was an appeal to the people in order to know their views before any action was taken. It was not a case of the government and parliament acting according to their own best judgment. It was a case of our going to the people from whom we derive our power, and asking them what their wish was.

I believe that respect for one's word is more important in this parliament and is more helpful to the maintenance of democracy in Canada and to the world than the theory which was expounded by that great writer and historian, Burke. I want to respect not only my own word but the will of the people of the province of Quebec, and also the voice of the French Canadians of other sections of Canada. This bill is a flagrant contradiction to all that we have said both in parliament and outside of parliament on the plebiscite, and I maintain that the words "a new policy" I used in my letter of resignation, have been amply justified by what it is now proposed in contradiction to what we said in asking the people of Canada to answer "yes" on the plebiscite.

Once again I thank you, Mr. Speaker, for your indulgence. I know it is based more particularly upon the fact that my English may not be as good as it should be. Nevertheless I shall never forget your kindness and the generous and friendly reception which has been accorded to me this afternoon even by the members who do not share my views on this most important question.

Mr. MACKENZIE KING: I suggest, Mr. Speaker, that we resume at 8.30 p.m.

Mr. SPEAKER: With the consent of the house.

At 6.20 p.m. the house took recess.

After Recess

The house resumed at 8.30 p.m.

Mr. SPEAKER: During the dinner hour I have been considering the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell), and I should like to express to the house my appreciation of the observations of hon. members. The amendment reads:

> This bill be not now read a second time but that it be resolved that provision for the introduction of conscription of man-power for overseas service, without specific proposals for the immediate use of the power conferred by section 2 of the act, to conscript war industry, financial institutions and accumulated wealth, does not meet the urgent need for total war, imposes further inequality of sacrifice and is, therefore, contrary to the peace, order and good government of Canada.

In support of the amendment the hon. member for Rosetown-Biggar referred to an amendment of Sir Wilfrid Laurier which is set out on page 321 of Beauchesne's Parliamentary Rules and Forms. I think the hon. member will agree that that amendment is not parallel to the amendment which is now proposed. It was such an amendment as could not be moved in committee. It did not propose to amend; it sought to defeat the bill. This amendment in its terms does not so intend.

The hon. member also quoted from page 217, citation 755 of Beauchesne's Parliamentary Rules and Forms. I will read the citation:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction, or prosecution; or otherwise opposed to its progress; or seeking further information in relation to the bill by committees, commissioners, the production of papers or other evidence or the opinion of judges.

But in conjunction with that citation must also be read citation 760 which reads:

The principle of relevancy in an amendment governs every proposed resolution, which must, therefore, "strictly relate to the bill which the house, by its order, has resolved upon considering" and must not include in its scope other bills then standing for consideration by the house. Nor may such an amendment deal with the provisions of the bill upon which it is moved, nor anticipate amendments thereto which may be moved, in committee, nor attach conditions to the second reading of the bill.

The same issue was raised in a debate in this house on April 24, 1934, and is apropos of this amendment. It is referred to on pages 272 and 273 of the *Journals* of the house, volume 72, 1934. It dealt with a bill concerning the marketing of natural products in Canada. The present Prime Minister (Mr. Mackenzie King), then leader of the opposition, moved the following amendment:

That all the words after the first word "that" be struck out and the following substituted therefor:

"this house, while prepared to support legislation or assisting the orderly marketing of natural products, is unalterably opposed to the enactment of any compulsory measure which delegates to unnamed and undetermined individuals, groups or organizations, sweeping powers over the production and trade and commerce of the nation, and which confers upon a minister of the crown, and upon the governor in council unprecedented authority and unusual powers to restrict production, and interprovincial, interimperial and foreign trade as regards both exports and imports, as well as other autocratic powers."

The report in the *Journals* continues:

Hon. Mr. Stevens raised the point of order as to whether the said amendment is in order inasmuch as it constitutes what might be termed a declaration of policy instead of offering reasons why consideration of the bill should not be proceeded with or should be postponed or proposing something else germane to the actual motion before the house.

The then leader of the opposition referred, as was done to-day, to citation 755 of Beauchesne's Parliamentary Rules and Forms, and read it, as the hon. member for Rosetown-Biggar did this afternoon in the first instance.

The then Speaker, the Hon. Mr. Black, now member for Yukon, referred the leader of the opposition to citation 760, ruled the amendment out of order, and based his ruling on a decision in support as cited in May, thirteenth edition, page 390, and the precedent set forth there in support of this was 188 Parliamentary Debates, 4th series, column 76, the Education (Scotland) Act. The house divided on an appeal against the Speaker's ruling which was sustained.

The amendment moved by the hon. member for Rosetown-Biggar accepts in part the principle of the bill, but indicates that it does not go far enough. It anticipates amendments which may be moved in committee on the bill, but cannot be moved on second reading. But there is another, and, I think, a more serious objection to the relevancy of the amendment. That is, that this house has already decided, during the session, on the 18th day of February, on the principle which is now invoked in the amendment, as will be found in *Votes and Proceedings* of that day, page 57. The house divided on the following amendment which was moved by the hon. member for Rosetown-Biggar in the debate on the address in reply to the speech from the throne, and which was as follows:

That all the words after the words "This house regrets that Your Excellency's advisers" in the amendment be deleted and the following substituted therefor:

"have used the sweeping powers conferred by the National Resources Mobilization Act mainly for the conscription of men for home defence and in the opinion of this house no total effort adequate to meet the present needs of the war, domestic problems, and the preparation for post-war conditions is possible without total mobilization of wealth, industry and finance as well as human resources.

Therefore this house respectfully requests that the forthcoming plebiscite should seek the support of the people of Canada for the complete and effective conscription of war industries, accumulated wealth and financial institutions, at the same time and on the same basis of sacrifice as the suggested extension of the conscription of man-power."

This amendment was negatived on a recorded division.

In the amendment now before the house the hon. member for Rosetown-Biggar moved:

. . . that it be resolved that provision for the introduction of conscription of man-power for overseas service, without specific proposals for the immediate use of the power conferred by section two of the act, to conscript war industry, financial institutions and accumulated wealth, does not meet the urgent need for total war, imposes further inequality of sacrifice and is, therefore, contrary to the peace, order and good government of Canada.

In the amendment which the house have already decided upon, on February 18, are the words:

. . . without total mobilization of wealth, industry and finance as well as human resources.

The effect of the words used in the amendment under discussion is equivalent to and substantially the same as the words which have already been used in the amendment on the address in reply to the speech from the throne. In that connection, the authority which I shall quote to the house is citation 304 of Beauchesne's Parliamentary Rules and Forms:

It is a wholesome restraint upon members to prevent them from reviving a debate already concluded; and it would be little use in pre-

venting the same question from being offered twice in the same session if, without being offered, its merits might be discussed again and again.

As I have said, I think that is probably the greatest objection to the relevancy of this amendment, and in view of that and also of the precedent which I have already quoted, I must rule the amendment out of order.

Mr. T. C. DOUGLAS (Weyburn): The people of Canada generally are confused and bewildered as to the exact meaning of the measure now before the house. There has been such a torrent of words around the whole question of the conscription of man-power for overseas service that the people generally are not clear as to exactly what this measure means or exactly what principle is now at stake. Therefore I wish to outline three of what might be considered very elementary propositions with reference to this measure.

The first is that this measure will place the principle of conscription of man-power for overseas service on the statute books of Canada. The Prime Minister (Mr. Mackenzie King) has a strange belief in the efficacy of words. In his letter to the former Minister of Transport (Mr. Cardin), appearing in *Hansard* of May 11, the Prime Minister said:

> There has, however, been no change of policy. No new policy has been adopted.

In the last paragraph of the same letter he says:

> In view of the grounds on which you have tendered your resignation, I cannot but feel that you have given to the decision of the government a significance it was never intended to have.

In contrast with that may I draw attention to two of the statements made yesterday by the Prime Minister. He said, as reported in *Hansard*, page 3234:

> The power to which I refer is the power to decide if, when, and to what extent the use of compulsion may be necessary for military service outside Canada and to exercise that power accordingly.

In the same column, further down, he says:

> In order that the government may have the power if required to resort to the compulsory method of raising men for service overseas, if it is found that men in the numbers required cannot be raised by the voluntary method. . . .

The Prime Minister seems to feel that if you call an onion by some other name it will smell less odorous. The fact of the matter is that the measure now before the house does place on the statute books of Canada unlimited compulsory service. The Prime Minister, instead of going direct to the goal, apparently believes that if you approach that goal by a series of steps you can truthfully say at each step that that step does not mean conscription of man-power for overseas service. That is true, but each step which has been taken has moved in that direction. In 1940 we had the National Resources Mobilization Act, giving the government power to conscript men but not to send them outside Canada or the territorial waters thereof. National war service regulations were brought in to call men up for thirty days training. The Minister of National War Services at that time, now the Minister of Agriculture (Mr. Gardiner) was very careful to point out that this was not military service, that this was, in fact, only military training. That training was then increased from thirty days to four months; later, to military service for garrison duty in Canada for the duration of the war. Recently we have had a plebiscite asking the people of Canada to release the government from any past commitments, subject to its responsibility to parliament. Now we have before us a bill asking parliament to remove clause three from the National Resources Mobilization Act, thus giving the government power to send men conscripted under this act into any theatre of war.

The Prime Minister argues that of course it is only enabling legislation. That, Mr. Speaker, is exactly the point. When this measure is passed, the government has complete power to put the principle of compulsory service for overseas into effect. It has power, not to bring down a bill to this house for the conscription of man-power for overseas service, but by order in council to send men outside of Canada without any resort to this house whatsoever. It is a well-known fact that all over Canada to-day are army units whose personnel is partly made up of volunteers and partly of men conscripted under the National Resources Mobilization Act. What will happen? The Prime Minister says that this will be a decision of the cabinet; that it will not be a military decision. Technically that is correct. But in actual fact it will be a military decision. The general staff will decide that some of these units are needed overseas; an order in council will be passed, and some morning we shall pick up the paper and find that one of these units has landed in England or some other theatre of war, and that 20 or 30 per cent consisted of men conscripted under the National Resources Mobilization Act. Then someone will dig around and find an order in council which has been kept back because its earlier publication would have

revealed military secrets. Thus we shall find that surreptitiously, by the back-door, conscription for overseas service has been introduced in Canada.

The Prime Minister argues that he could have done this under the War Measures Act. Technically that may be true, though it is debatable. In reality, however, he could not have done that, because if the War Measures Act meant that he could set clause 3 aside, then clause 3 was meaningless when put there. But clause 3 was put there by the Prime Minister and his government as a pledge to certain parts of Canada that conscripted men would not be sent outside Canada.

Not only that, but the Prime Minister made a pledge to the people of Canada throughout the plebiscite campaign that this whole matter would be referred to parliament and would not be dealt with by order in council. Throughout the plebiscite campaign the Prime Minister said repeatedly that he was asking the people of Canada to free the government's hands, subject, as he always said, to his responsibility to parliament. Well, he is now discharging that responsibility. We are now at the stage where this parliament is having its last and only say as to whether or not the principle of conscription of man-power for overseas service shall be placed upon the statute books of Canada. From then on the decision will lie entirely with the cabinet.

I object most strenuously to requisitioning the life of the young men of Canada by order in council. The speech to which we listened before the dinner recess was just one of the chickens coming home to roost. There will be many more chickens coming home in the next few weeks and months, and I am afraid that among the things that will be hatched out will be distrust and disunity in this country for many a day. It is one of the ironies of history that a political party which for twenty-five years has been elected again and again and again by constant and repetitious reference to the Military Service Act of 1917 should now be proposing to conscript men for overseas service without any statute which hon. members can examine. Instead, men will continue to be called up under the national war service regulations, regulations of which I defy any hon. member to know the exact meaning, under machinery which has already been described and debated in this house, by semi-judicial boards set up in the respective military districts, not responsible to this parliament, and from whose rulings no appeal can be made. Already proof has been presented, if any were needed, that the decisions of these boards and their interpretation of the regulations have not been uniform across Canada. If I had no other reason for voting against this measure I would vote against it on this ground alone, that if men are to be conscripted in Canada for overseas service they should be conscripted under a statute passed by this parliament, a statute setting up the machinery for conscription, and that machinery subject to review by parliament. Therefore I say that the first point I have tried to establish is perfectly clear. Without any attempt to hoodwink the Canadian people, without sophistry that has been indulged in, we should say to them frankly: "This measure, if and when passed by this house, will place upon the statute books conscription of man-power for overseas service." It matters not whether the government implement it to-day or next week or next year; as far as this parliament is concerned that is the decision we are being asked to make.

The second proposition I should like to lay down with reference to this measure is that this is conscription of man-power and of man-power only. When the National Resources Mobilization Act was before the house in June, 1940, I made this observation as reported at page 879 of *Hansard*:

> Therefore, Mr. Speaker, before this house is asked to vote on this bill, to vote on the principle, I do not think it is too much to ask the Prime Minister to make a very clear statement, first, as to what forms of wealth will come within the term "mobilization of material resources"; as to whether or not this government is prepared to bring in a 100 per cent excess profits tax; as to whether or not large corporations are to be allowed to continue to make money while at the same time we propose to take boys off the farm, from the workshop, and off the streets and put them in uniform to go out to defend another group of men who, unless the government take drastic steps, are not making their fair contribution to the defence of Canada.

The Prime Minister in his speech referred to that, and said, as reported on page 902:

> The measure is intended to cover every resource that the country has, human and material. But, may I ask my hon. friends this question: "What justification is there for assuming that it is only going to be the provisions of the measure related to the human that will be invoked, and not the material? Is not any fair-minded man entitled to say that there is just as much reason to assume that this bill is introduced solely for the purpose of applying it to material things?
>
> Mr. Coldwell: Experience of the past.
>
> Mr. Mackenzie King: Not experience of the past. I absolutely deny that statement. Does

my hon. friend mean to say to me he believes that I place more value in material things than I do on human life?

Mr. Coldwell: No.

Mr. Mackenzie King: That is what it comes to.

Mr. Coldwell: I do not mean that at all.

Mr. Mackenzie King: I am glad my hon. friend does not, and on behalf of every member of the house I make this statement: Every hon. member, irrespective of party or group, is primarily concerned with preserving the human, and if there is any sacrifice to be made in a material way to help to save the human, that will be the first sacrifice made.

The record of the past two years speaks in accents that will not be denied. What have we conscripted under this legislation? Many thousands of men. What industry has been conscripted? What factory? What natural resources? We have given to over 300 contractors in Canada cost-plus contracts which state that the government will pay them whatever it costs them to produce plus a percentage of that cost. We have given to many others fixed price contracts; into that fixed price is estimated 5 per cent profit, but if the manufacturer is able to produce for less than the fixed price that is an added profit for him. Conscription of wealth! Why, the government has invested $500,000,000 of the money of the people of Canada in giving capital assistance to private industry. It has spent an amount well over half a billion dollars in building government-owned plants. These plants have then been turned over to private industry on a management basis. There has been no interference with private industry. What conscription of wealth is there? The selling of bonds at 2¼ per cent—is that to be the conscription of wealth?

An hon. MEMBER: Taxes.

Mr. DOUGLAS (Weyburn): My hon. friend says, "taxes." Well, everybody is taxed. People who get very little are taxed. How much taxation is there on the people who are making the money?

I notice in this morning's issue of the Montreal *Gazette* there is a report of Distillers Corporation Seagrams Limited. For the first quarter of this year they made a profit of $3,643,813 as compared with $1,948,557 in the same quarter of the preceding year. That is the amount after they paid the taxes to which my hon. friend referred. The same report shows that for the nine months ended April 30, 1942, after they had paid the increased taxes they made a profit of $9,315,860 as compared with $3,338,638 for the corresponding nine months of last year.

Mr. ILSLEY: Is not most of their business in the United States?

Mr. DOUGLAS (Weyburn): I do not know where their business is. The fact is that they are selling large amounts of their commodities in Canada, and making a good deal of their money in this country.

This afternoon the hon. member for Rosetown-Biggar (Mr. Coldwell) referred to lists of Canadian companies. I have before me a list of twenty-three companies in which profits are shown. If I may, with the consent of the house, I should like to place these tables on *Hansard*. I shall not have time to read them.

Mr. SPEAKER: With unanimous consent.

Mr. DOUGLAS (Weyburn): Thank you, Mr. Speaker. One of these lists is a group of twenty-three companies, and the table shows the profit increase up to 30 per cent over the 1936-39 average. The second table shows a list of twenty-six companies, and giving the same information. These tables show the profits in 1940 and 1941. They show that the aggregate profit increase in 1941 over the base period was, in group 1, 14 per cent; and the aggregate profit increase in 1941 over 1940 was 9 per cent.

Mr. MACKENZIE (Vancouver Centre): Where are these lists from?

Mr. DOUGLAS (Weyburn): These are compiled by the *Financial Post*.

Mr. MACKENZIE (Vancouver Centre): That is the last authority in Canada I would accept.

Mr. DOUGLAS (Weyburn): The list of twenty-six companies shows an aggregate profit increase in 1941 over the 1936-39 average of 62 per cent, and in 1941 over 1940 it was 29 per cent.

Mr. DUPUIS: Those figures were given yesterday by the hon. member for Rosetown-Biggar.

Mr. DOUGLAS (Weyburn): No; they were not. The tables expressed in round figures are as follows:

Group I

Profit increase up to 30 per cent over 1936-39 average

		Average, 1936-39	1940	1941
1.	B.C. Power	$ 1,876,000	$ 2,061,000	$ 2,073,000
2.	Gatineau Power	1,768,000	2,161,000	2,054,000
3.	Steel Co. of Canada	3,701,000	4,342,000	4,440,000
4.	National Breweries	1,813,000	1,495,000	2,029,000
5.	Canadian Celanese	1,581,000	1,464,000	1,975,000
6.	Howard Smith Paper	1,044,000	1,135,000	1,273,000
7.	Moore Corporation	1,710,000	1,787,000	1,800,000
8.	Page Hersey	909,000	942,000	917,000
9.	Canadian General Electric	2,064,000	2,308,000	2,480,000
10.	Canadian Westinghouse	1,089,000	1,203,000	1,418,000
11.	Canadian Industries Ltd	5,299,000	5,396,000	5,383,000
12.	Dominion Tar and Chemical	536,000	587,000	643,000
13.	B.C. Telephone	714,000	660,000	732,000
14.	Canadian Industrial Alcohol	351,000	220,000	379,000
15.	Dominion Oilcloth & Linoleum	1,097,000	1,130,000	1,309,000
16.	Hinde and Dauch (Paperboard)	416,000	416,000	497,000
17.	General Steel Wares	456,000	436,000	556,000
18.	Shawinigan Water and Power	2,209,000	2,065,000	2,321,000
19.	Bell Telephone	6,132,000	6,691,000	7,303,000
20.	Laura Secord	219,000	231,000	240,000
21.	Canada Malting	604,000	523,000	608,000
22.	Canadian Bronze	231,000	188,000	281,000
23.	Simpsons Ltd	837,000	928,000	1,027,000
		$36,656,000	$38,369,000	$41,738,000

Note: Aggregate profit increase in 1941 over 1936-39 average=14 per cent (just under). Aggregate profit increase in 1941 over 1940=9 per cent (just under).

Group II

Profit increase of 30 per cent or more over 1936-39 average

		Average, 1936-39	1940	1941
1.	Aluminium Ltd	$ 9,454,000	$12,462,000	$16,015,000
2.	Consolidated Mining & Smelting	9,294,000	9,062,000	12,199,000
3.	Montreal Cottons	396,000	344,000	615,000
4.	Ford of Canada (Canadian operations only)	949,000	2,584,000	3,279,000
5.	Canadian Westinghouse	1,089,000	1,203,000	1,418,000
6.	Famous Players, Canadian	817,000	999,000	1,162,000
7.	Canadian Breweries	425,000	559,000	603,000
8.	Belding Corticelli	108,000	135,000	154,000
9.	Brantford Cordage	142,000	227,000	213,000
10.	Brompton Pulp and Paper	247,000	632,000	832,000
11.	St. Lawrence Paper Mills	131,000	578,000	546,000
12.	Cockshutt Plow	69,000	236,000	471,000
13.	Ontario Steel Products	79,000	106,000	143,000
14.	Dominion Bridge	308,000	699,000	955,000
15.	National Steel Car (increased capital)	499,000	463,000	729,000
16.	Canadian Car & Foundry	441,000	478,000	702,000
17.	Canada Foundries & Forgings	81,000	105,000	147,000
18.	Beatty Bros. (Washing Machines, war work)	203,000	268,000	329,000
19.	Dominion Glass	503,000	568,000	687,000
20.	Canada Cement	1,175,000	1,332,000	1,631,000
21.	Building Products	357,000	414,000	476,000
22.	Sherwin-Williams, Canada	372,000	539,000	527,000
23.	Cosmos Imperial Mills	185,000	225,000	260,000
24.	Lake of the Woods Milling	260,000	477,000	479,000
25.	Crown Cork and Seal (Canada)	235,000	243,000	315,000
26.	Canada Wire and Cable	572,000	743,000	1,043,000
		$28,391,000	$35,681,000	$45,931,000

Note: Aggregate profit increase in 1941 over 1936-39 average=62 per cent (just under). Aggregate profit increase in 1941 over 1940=29 per cent (just under).

Mr. ROSS (St. Paul's): I should like to have these tables read.

Mr. SPEAKER: I understood there was unanimous consent that the hon. member should have permission to place them on *Hansard*. No one took exception, and consent was given.

Mr. DOUGLAS (Weyburn): During a previous debate in the house the Minister of Pensions and National Health (Mr. Mackenzie) taunted this group by saying that we were seeking to bring socialism into this country under the guise of winning the war. I shall not debate that question now, but I will say that the opposite is true. We in this group are convinced that unless the country is prepared to adopt some of the principles of socialism we cannot possibly win the war. The greatest obstacle to our winning the war has been the private competitive system—the same system which for years prior to the war caused us to have nearly a million people on relief, thousands of men walking the streets, farmers with their granaries filled, and yet not being able to get the necessaries of life. That same system which functioned so anti-socially before the war has kept us from producing an all-out war effort since the war.

We cannot fight a war if the profits and competitive system are to continue to be the dominant factor in the national economy.

Mr. ROSS (St. Paul's): Would the hon. member permit a question?

Mr. DOUGLAS (Weyburn): No; I should prefer to go on; I have not much time. Early in April, 1940, the Minister of Munitions and Supply (Mr. Howe) told us the reason we were not producing tanks was that it was impossible to get specifications. Why? One of the reasons we are short of oil to-day is that in days gone by it did not suit the interests which controlled the oil industry to develop the potential oil resources of this country. The Truman committee in the United States discovered that the Standard Oil company had the formula for the production of synthetic rubber in Canada and the United States, but that it sold the formula to the Farben Company of Berlin, so that Hitler's mechanized forces could roll across Europe on synthetic rubber at a time when we in this country had not yet got into production in that commodity.

We contend that not only must there be conscription of wealth and industry, because it is fair and just, but that without conscription of wealth and industry Canada cannot make its maximum contribution to the winning of the war.

Emphasis continues to be put in the wrong places. This is a war dependent upon the productive capacity of the nation engaged in it. If we were to conscript every man, woman and child in Canada and put them into uniform we could still lose this war. Unless we are able to produce the goods, the tanks and the planes which enable us to fight, and to fight effectively, the mere conscription of manpower, we contend, does not necessarily mean the winning of the war.

In June, 1940, I made the statement that the National Resources Mobilization Act was the poor man's conscription bill. On that occasion the Prime Minister chided me for making the statement. I made the statement then on the basis of my fears; I make the statement to-night on the basis of my experience, and the experience of the whole of the Dominion of Canada in the administration of the act in the last two years.

The third proposition I lay down is that we in this group are not opposed to the principle of compulsion, but we are opposed to the principle of discriminatory compulsion. We recognize that in war time the state has a right to expect that every citizen will make every contribution he or she can make in the national effort. But we do object to having that principle of compulsion apply, as it has applied, only to the human resources of the nation. There is an old saying, one worth repeating, that "the life is more than meat, and the body is more than raiment." In war time we are inclined to think cheaply of human life, when we hear of huge casualty lists. We speak in terms of hundreds of thousands of men, and we fail to recognize that when this or any other parliament undertakes to requisition human life it is requisitioning the dearest possession of mankind. When I asked a question of the Minister of National Defence (Mr. Ralston) with reference to taking over a large vacant building in the city in which I live to use as a barracks, he replied, "confiscation". You could give that building back, but when you take a man's life you take something from him which you can never give back. This house has a serious responsibility when it takes the step that it is prepared to take, to give this administration the power to conscript the lives of human beings. It has a responsibility to see to it that there is first conscripted those other resources which are far less vital and far less important.

The minister argued yesterday that the same reasoning which caused the people of Canada to relieve the government of their moral obligation ought to apply now to relieve them of this legal obligation. I maintain that that does not apply. We in this

group went out across the country and asked any people with whom we might exercise any influence to relieve the government of their responsibility. Why? Because the Prime Minister had definitely promised that this matter would come to parliament. The people of Canada were not asked to put the conscription of man-power for overseas service on the statute books of Canada; they were asked to relieve the government of all commitments in order that the matter might be discussed, to relieve all members of this house of any obligation in order that they might attack this subject on its merits. But that argument does not apply now.

Mr. MACKENZIE KING: What is my hon. friend talking about right now?

Mr. DOUGLAS (Weyburn): May I ask: are we discussing conscription?

Mr. MACKENZIE KING: Yes; the question of overseas service is now before parliament.

Mr. DOUGLAS (Weyburn): The moral obligation of the government was released in order that the matter might be discussed in parliament. To relieve the government of its legal responsibility without any assurance that it intends to conscript all the material resources of Canada is a totally different matter. Whereas we were willing, and did ask the people to relieve the government of its moral obligation, we are not prepared to relieve the government of its legal obligation unless the government is prepared to take some definite steps for the conscription of wealth, industry and the other material resources of this country.

In a few days the reserve unit to which I am attached is going into camp and I may not be here when the vote is taken. I should like to place my position before the house so that there may be no doubt as to exactly where I stand. Had the amendment moved by the hon. member for Rosetown-Biggar been accepted as being in order, naturally I would have voted for it. If the government is prepared to withdraw this bill and introduce mandatory clauses to section 2 of the mobilization act conscripting the wealth and industry of Canada, as outlined this afternoon by my leader, the hon. member for Rosetown-Biggar; if they are prepared to follow that policy with a conscription measure for the conscription of man-power for overseas service, then I am prepared to vote for it. But if the government fails to follow such a course, I say definitely to-night that I shall vote against this measure.

[Mr. T. C. Douglas.]

I do not intend to lend either my voice or my vote to giving the government power to conscript young men, many of whom have never owned a square foot of the soil of this country, many of whom for years did not know where to lay their heads, if at the same time the government proposes to leave those to whom this country has been good, those who own a large part of this country, go comparatively free. This is either everybody's war, or it is nobody's war. As long as the government fails to utilize the material resources of the country, I for one will not vote to give it the power to conscript human life.

Mr. A. W. ROEBUCK (Trinity): Mr. Speaker, the hon. member for Weyburn (Mr. Douglas) has just said that the public has been confused and bewildered by the bill now before the House of Commons. I think he has demonstrated the truth of the statement he made, demonstrated it in a personal way rather than by argument. The hon. gentleman said that he and his associates travelled across Canada asking that the government be relieved of its commitments against conscription. Yet he now says that he will not permit the passage of a bill, the plain object of which is to make possible the putting into effect of a conscriptive measure.

Mr. DOUGLAS (Weyburn): Is that what the plebiscite was for? That is not what the Prime Minister said. He said it was not.

Mr. REID: No one interrupted the hon. member. We gave him a fair hearing.

Mr. ROEBUCK: If the hon. member will hear me, I will tell him the whole story of the plebiscite and what was intended, in my humble judgment, by the question and answer. I know the hon. member is under some obligation to leave shortly, but if he will wait I am sure he will hear the whole story. The hon. gentleman has told us that he is prepared to vote for a conscriptive measure if it is brought before the house in sufficient detail. Yet he proposes to vote against the bill which has for its purpose the very thing which he proposes to support.

Mr. COLDWELL: Oh, no.

Mr. ROEBUCK: Practically. I suppose my hon. friend will say that the difference lies in the fact that some detail could be lined out in a bill brought before the house, detail which under the present measure must be regulated by order in council. I refer to the putting into effect of conscription by the government.

Mr. DOUGLAS (Weyburn): And preceded by the conscription of wealth.

Mr. ROEBUCK: That is the herring across the trail. If my hon. friend objects to the government having the power to take care of the details, how does he think a conscriptive measure can be enforced? How could it be administered even if it were passed by the house? In the very nature of things a statute can deal only with general details; it can determine the principle and little more; the remainder, that is, its administration must of necessity be left to the cabinet.

I must congratulate the hon. member for Weyburn upon the speech he has just delivered. We are discussing a definite measure, and at least he has directed his remarks to the measure itself. I listened this afternoon to a long discussion by the leaders of the two parties other than the official opposition, and I must confess that if that was what the public heard, I have no doubt they would be both confused and bewildered. Instead of addressing themselves to the measure before the house, the two leaders made this bill a vehicle for the expression of every possible idea they could think of, whether it was relevant or irrelevant to the measure before us. They turned it into a wheelbarrow, loaded it up with the entire platform of both political parties and dumped it on the floor of the house.

At least the member for Weyburn has discussed the question at issue, and I congratulate him upon doing so.

I listened, as did all the members of this house, of every party, and, I suppose, every division of thought, to the remarkably eloquent and appealing address of the hon. member for Richelieu-Verchères (Mr. Cardin), and I must say to my fellow members that my heart went out to him for the sincerity with which he spoke and the musical eloquence of his words. He said he was not ashamed to represent his French-Canadian compatriots. In reply I should like to say that his French-Canadian compatriots are honoured by his representation. I will go further than that and say that I am proud to call him a fellow-Canadian compatriot. Of course that does not mean that I must agree with all the hon. gentleman said with such force and eloquence.

He complained, for instance, of the form of the question that was placed upon the ballot, and I agree that something may be said with some force along that line. Unfortunately, however, the time for complaint has gone by. The time for the revision or the improvement of that question was when it was being formulated by the cabinet of which he was then a member, and he not only took responsibility for the form of the question and the fact of the plebiscite but actually approved it before the country. It is rather too late now to criticize the action for which he and the other members of the government were responsible.

As I understand it, the hon. member for Richelieu-Verchères says that the answer to the question does not warrant the government now introducing a measure which has for its purpose enabling legislation for the introduction of conscription. Surely we did not spend a million and a half dollars on a plebiscite to obtain from the Canadian people an answer that means nothing. The answer must surely mean something, not nothing. If the question and its answer are the innocuous pair that some people reason they are, and did not give the government power to introduce conscription if it is necessary, let me ask, what did it mean? If it did not mean that, why did the constituencies of the province of Quebec, or many of them, vote "no" in such overwhelming numbers? Was it simply because it was verbiage that they did not like? Certainly not. Those constituencies in the province of Quebec which voted "no" did so because they knew that this was a step in the direction of conscription. Equally, Mr. Speaker, in my judgment those constituencies which voted "yes" did so because in their view it was a step in the direction of conscription.

The hon. member for Richelieu-Verchères drew an eloquent and imaginative picture of the distinction between the British race and the race from which he springs. He says that when England is attacked, those of the British race rush to her defence because their deep racial emotions impel them to action, while with the French Canadians their enthusiasm has to be raised by the logic of the mind. That argument appealed to me. I can see the truth of what he says. It is perhaps a reason why we of British extraction should be most kindly in our attitude toward people of French extraction. But I think the error of his statement lies in this, that the heart of the French Canadian floods with emotion just as rapidly and just as strongly as that of the English race in this country when the name of Canada is mentioned. Who, Mr. Speaker, sings "O Canada" with greater fervour than my fellow-Canadian citizens of French extraction? The error of our position lies in our failure to realize that the boys who are fighting across the English channel, the Canadian young men who are bombing German cities, are fighting the battle of Canada. The error lies in a failure to realize that the armies of Canada which are now in England and standing guard on the chalk cliffs of Dover are in very

truth guarding the ramparts of Canada, and may I say to my hon. friend, guarding the entrance to the St. Lawrence.

I doubt if foreign service is actually possible in this war. I doubt the accuracy of the term because the armies of Canada, on the land, in the air and on the sea, no matter where they may be and no matter where they fight, if it is in north Africa, England, France, Germany or Russia, are defending Canada.

I can say with truth and enthusiasm that there is no class in our community to whom the freedom of this country, the liberty of its people, and the preservation of our ancestral lands are more dear than to my French-Canadian friends. So let us realize that we are all together in this war and that this little distinction of race is a very small matter in view of the danger that our country is facing and the tremendous responsibilities which we have undertaken.

There are periods in the life of a nation when the interests of the state become more important to the individual than his own ambitions and his own future. There are times when men's souls are stirred to enthusiasm and to self-sacrifice. This is one of those periods in the history of Canada. When Canada declared war against Germany in September, 1939, she staked her national existence on the success of her arms and on the fighting qualities of her associates, and instinctively our people everywhere—I do not care whether they came from the conscriptionist districts or the non-conscriptionist districts—recognized the national danger and offered themselves, their services and their property in defence of the state. In periods such as this and in the act that we are now performing, conscience should take command. I hope that it is with a full realization of the solemnity of this moment that we of the House of Commons approach the problems involved in and surrounding this bill. It is with a profound sense of responsibility that I attempt to discuss the measure in this house.

The bill itself, in my judgment, presents almost no problems, and for the simple reason that it has in substance already been approved by a nine-to-one vote of the Canadian electors of my own constituency, and by something like a million majority in the country at large. In courses of debate, it is important that we hold before us the very thing about which we talk. What was the question submitted to the people? "Are you in favour of releasing the government"—note the word—"from any obligations arising out of any past commitments restricting the methods of raising men for military service?" It does not say, are you in favour of releasing the House of Commons, the Liberal party, the Conservative party, or the individuals involved; it asks the people whether they are prepared to release the government. The government was the subject at issue. The people said "yes," specifically. I think they said much more than "yes," but to that question they answered "yes" by a vote of approximately two-to-one. Accordingly the government has introduced a measure to implement in substance the question which was asked. The bill which is now before the house is the practical counterpart of the question which was asked of the public. It proposes to strike out of the mobilization act these words:

> The powers conferred by the next preceding section may not be exercised for the purpose of requiring persons to serve in the military, naval or air forces outside of Canada and the territorial waters thereof.

Those who would criticize the assumption of powers by the government in the present bill should realize that all that is happening is the disappearance of certain words, and that the powers which the government will retain were already set out in the mobilization act. No new powers of administration are being given. The only distinction between the exercise of those powers after the bill is passed and their exercise before the bill is passed is that the powers may apply to foreign service, so-called, while at the present time they apply only to local service. So let us not, as the hon. member for Weyburn says, be confused and bewildered. The government is given no powers which it did not formerly possess. It only extends those powers to foreign service. It does seem to me that every hon. member who comes from a constituency which voted "yes" in the plebiscite must in the very nature of things, if he would obey the will of those who sent him here, vote "yes" on this bill. I see very little difficulty as far as the bill itself is concerned; I am satisfied that it will carry with an overwhelming majority in the house, and that majority will not be made up only of members of the party to which I belong. It hardly needs a defence as far as its literal words are concerned.

This bill, however, has implications much more far-reaching than the mere release of a government to do as it sees fit. Irrespective of amendments which may be offered, this bill raises the whole question of methods by which Canada will in the future raise her armed forces for service overseas, and it brings before this house in a formal way the vexed question of conscription. It is a question which, in my judgment, cries out for decision. It is a question which can no longer be evaded. It is a question which will not down.

One speaker has said that this is the last opportunity which we members will enjoy to discuss and to determine this question of conscription. Well, let us determine it now. This is the debate and now is the time. I noted with a great deal of pleasure the statement of the Prime Minister in his speech of yesterday that he invited a full discussion of conscription—an invitation which I propose to accept.

It would be easy for me to argue the question of conscription on its merits, because there are so many sound arguments on both sides. I suppose that one could list every possible relevant fact and argument in two opposing columns and, after a contemplation of the weight of both sides, could honestly come to either conclusion. But for me the time for argument has gone by. The decision on this question was taken out of my hands. It was made for me by an authority that I acknowledge to be my superior and to whom I owe a very willing obedience. It has been decided by the high court of the electors of the riding from which I come.

The pledge which was the subject of the plebiscite had a number of aspects. In the first instance, it bound the government in whose name it was given. In the second instance, it bound the Liberal and Conservative parties, perhaps others, whose leaders and many of whose members spoke on their behalf. Finally, it bound the individuals whose personal honour was involved in the keeping of the pledge. The pledge against conscription was an individual obligation on all those members of the house who adopted it by outright spoken declaration, or who tacitly became bound to it by acceptance of its benefits. The pledge was a matter of general and national concern and it was also a matter of private concern, between each individual member and his respective electors.

The request for release affected that personal relationship between myself and my own constituents; and yet the reference was made to the people for the release from the pledge without any prior consultation with the members of the house. It appeared in the speech from the throne which was prepared before the arrival of the members in Ottawa at the opening of the session. I am not complaining—do not misunderstand me—of the decision to hold a plebiscite. It is the right of the government to take the initiative and to stand or fall by the consequences. It is not only its right to take the initiative; at times it is its duty to do so. So I am not complaining of being presented with a *fait accompli* with respect to the request for release from the pledge. I am only pointing out that the plebiscite was a government measure pure and simple, and the government, having taken the responsibility of asking for an expression of the views of the electors whom I represent, no doubt will not be surprised—it will expect—that I follow the decision of my electors, as I understand it, that I heed what they say. This was the appeal to Caesar.

Now, then, what was it that my constituents said to me in the course of the plebiscite campaign? In the speech delivered in the house on the second reading of the bill by the Prime Minister on February 25, 1942, he made abundantly clear the meaning which would be attached to the answer by the government. The Prime Minister said, as reported at page 823 of *Hansard:*

> If the answer is in the affirmative it will mean that the government, according to the opinion expressed by the people, has been released from commitments that have been made; if it is in the negative, it will mean that the majority of the electors are of the opinion that the government should continue to be governed by the commitment that was made at the time of the last general election and on previous occasions, and on subsequent occasions as well.

That is to say, if the electors voted "no", there would be no conscription; if the electors voted "yes", there would be no conscription still, unless and until the government sees fit. However much that may resemble a proposition of "heads I win, tails you lose", that was the meaning attached to the question by the government. That was the construction which was placed upon it, and I submit now that neither the Prime Minister nor the government can be charged with inconsistency if the government now contends that "no" means "no" and that "yes" means "no" at its pleasure. That was the plain logic of the situation.

But, Mr. Speaker, I am troubled. I am troubled with this question: Is there any obligation on the part of the public to accept for themselves the interpretation placed by the government upon the question which they were asked to answer? The electors when called upon to vote are not civil servants to be instructed by a government; they are, in fact, its masters. They are not servants at all; they are masters. They are not confined in the expression of their opinions to any narrow formula that may be placed in print upon a bill. They can express any opinion they please by any method they care to adopt, and they, too, can announce in advance or afterwards the meaning which they place upon their vote. This they did in my constituency, and the meaning which

they gave to a "yes" vote, was not the meaning which was given to it by the Prime Minister. They told me by hundreds; they made it known to me in every way that masses can make their meaning clear, that they were voting "yes" on this plebiscite because they preferred the compulsory selective service system to the voluntary system. They were voting "yes" because they were in favour of conscription.

I am speaking only for myself. I am speaking only as member for Trinity. I would not presume to speak for other members or for other members' ridings. I know my people as well as most members know theirs, and I say that my electors did not vote in this plebiscite only and exclusively to set a government free from shackles of its own making, although I realize that that was an element in their thinking.

It has been contended that the government wished to be free from its commitments because it would then be in a better position to explain to the people of the United States why the United States has the draft and Canada has not. The importance of American relations is thoroughly understood, I think, by all well-informed Canadians, but I am safe in saying this to the house, that my electors of Trinity did not go to the polls by thousands in order to improve a speech or to sprinkle salt upon an argument. There were 26,295 electors in my riding who went to the polls—26,295 in my constituency alone —and they voted for the affirmative on the ballot by a vote of nine in ten.

Mr. FLEMING: Are you in favour of it, too?

Mr. ROEBUCK: Yes. Why did the people of my riding flock to the polls in such numbers? In my judgment they went for no other reason than to decide whether Canada should or should not have conscription. That may have been illogical on their part, in view of the form of the question as placed upon the ballot. But the electors were not the architects of that verbal structure; it was given to them; they had no choice but to accept it and make the best use they could of it in expressing their purpose. They may have been actually pig-headed in view of the speeches made by parliamentarians of all colours, but in my judgment that is what they did. And they are the masters. According to my intimate knowledge, they went to the polls to decide this question of conscription.

Mr. FLEMING: Did the hon. member advise them to vote for conscription?

Mr. ROEBUCK: I asked them to come out, and they came in great numbers. I am not saying whether they were wise or unwise, whether it was right or wrong. I am not defending my own position; I am simply saying what I think they did.

I wish the house would permit me to present the case and would sympathetically go along with me for a moment in trying to get the picture as it presents itself in my riding. Mine is a constituency of homes, thousands of them. The men and women whom I represent are home people. They love their families. No people in the world ever loved their families more than do the people of my constituency. Yet young men and women went to the polls and said, "Take our brothers and our fathers." Fathers and mothers went to the polls and said, "Take our sons." They hate war and they do not love compulsion; yet they said, "Take us; save Canada; beat Hitler." They said it with sore hearts, in no spirit of bravado. In sombre seriousness they said it. They are Canadians; they did their duty.

Mr. SPEAKER: I have to inform the hon. gentleman that his time has expired.

Mr. ROEBUCK: Unless I have the indulgence of the house I must bow to your ruling.

Mr. SPEAKER: There is some objection.

Mr. T. L. CHURCH (Broadview): The motion is for the second reading of Bill No. 80, a bill which has been a costly one for the taxpayers of this country. It is a pretty skimpy bill to cost $1,500,000 to release someone who says he gave a pledge. As far as I am concerned as a member of the House of Commons and of the party to which I belong I never gave a pledge on anything, and I can say that no leader had the right to pledge my political party on that question because the party was never consulted about it. That is what defeated our party in Ontario, the principle of "follow your leader" and "your leader is your policy". That policy is fatal in peace and still more so in time of war.

Every second, every minute, every hour, every day and every week between now and midsummer are big with fate for this country. As we approach the summer we do not know to whom this country is going to belong. The enemy is at our door, our front door, our back door and every other door. It has attacked three dominions; three of them have the enemy at their front doors. This is going to be the most fateful summer in our history; yet nearly six months have been wasted by a plebiscite which meant nothing from the start. All this bill does is to

permit overseas service if, as and when the governor in council thinks it necessary, which in my opinion will be never, as long as this government is in power. I have a great admiration and respect for the Prime Minister (Mr. Mackenzie King); I think I have known him longer than anyone else in the house, and anything I have to say is what I believe to be the truth and without offence to anybody, because I speak only of principle. I regret the results of the action taken by the government in regard to this legislation. My leader in the house and the whole Conservative party in the Toronto district supported the plebiscite and the "yes" vote. The leader of this group addressed a letter to the Conservatives in every constituency asking them to support the plebiscite and to vote "yes", although we on this side of the house opposed the plebiscite. I myself did not believe in the plebiscite because I believe that on the government of the day rests the responsibility to carry on the war. It is their function as long as they are the government; under the parliamentary system and the constitution the responsibility is theirs; it is something that they cannot evade notwithstanding pledges and that kind of thing.

As far as this particular pledge is concerned, when the trouble was on in 1922 and 1923 and one of the leaders of our party said that if war came he would like a referendum, I opposed my leader and told him that in this house and outside the house as long as I belonged to the party I would never see Mr. General Election become commander in chief of the British forces; I would never allow Mr. General Election to become admiral of the British fleet, because before Mr. General Election could open his ballot boxes the enemy could sail up the St. Lawrence and bomb the citadel at Quebec, blow up the public utilities in Montreal and blow down this building and the Chateau Laurier and all our institutions. For that reason I opposed it, and because I have always believed in the principle that when Britain is at war Canada is at war. Everything we in this country have we owe to the mother country. She bore the brunt of the whole war for the first two years. Had it not been for her the axis powers would have been in America, and Ottawa and Washington would long ago have had to make peace with them.

As I say, there is only one clause in the bill; it is merely enabling legislation giving the governor in council power to act if, as and when they consider it necessary. I regret that this action was taken at all, because I believe the Prime Minister and his cabinet have done a great deal of good work. I am not one who would say anything to the contrary, because I believe they worked hard—so hard, in fact, that it has affected the health of most of them. I believe they have done their best, and what they believed to be their duty. But I do say that the government was ill advised in having the plebiscite, and in acting the way in which it did at that time. I say that because in my opinion the plebiscite has led to wide disunity, from Vancouver to Halifax. It has fomented wide dissension from coast to coast, and has frustrated the ideals of the fathers of confederation.

The principle of the bill, as indicated by the hon. member for Trinity (Mr. Roebuck), is just enabling legislation. When addressing a meeting in my constituency at the time of the plebiscite I said that I did not believe in it. I had voted for a six months' hoist, because in my view a plebiscite was not the proper way to deal with the matter. When addressing my constituency on March 5 at the Masonic hall, I urged them to vote "yes" on the plebiscite, although I had said the night before I had voted for a six months' hoist.

My observations are reported in the Toronto papers of March 6, as follows:

> A lot Hitler and Japan care for plebiscites. The axis partners may arrive in Canada before the ballot boxes are open.

Then the article continues:

> Taking the plebiscite, he characterized as "War according to Hollywood, and not according to Hitler and Japan," and he predicted that "It will, when taken, like the national register, be consigned to the archives."
>
> "The people are fast losing all confidence in our free parliamentary institutions in Canada and in their public men," said Mr. Church, accusing the government of "several rounds of shadow boxing, such as the sham plebiscite route to glory. If the people vote Yes the government will take one pace forward and four paces backward in the war effort."
>
> "It is no time to belittle those who for five years before the war had predicted it. If I were one of those who had changed my views—like some in the house—I would have come to the House of Commons and taken the penitents' bench, and would have said that a change of opinion had been forced upon me by Hitler and Japan, and that I regretted my past actions in opposing rearmament and coordination and cooperation with Britain. But, No! They pose now as super-patriots, these pacifists in all parties. If Hitler and Japan come to Canada they will take the plebiscite and all connected with it, and hang them on the sour apple tree—like was done with John Brown's body. History always repeats itself."

Those were my views. They were honest views, and I had expressed them in the house before. I am sorry that my opinion differed from that of the citizens' committee during

that campaign. The Toronto members were invited by the Canadian corps and Canadian Legion to attend a meeting to boom the plebiscite. I would not have attended it otherwise, as I did not believe in the said citizens' committee or that a thing would be done on this vote. One of the members of the government was there. Our members were not allowed to take part in the meeting. I asked the chairman had he any word or undertaking from the government that if we voted "yes" we would get conscription, or a total war effort. He said "no", and now this celebrated committee find out they were fooled, and what they voted for was not carried out.

The Prime Minister has pointed out that one of the main principles of the bill is that parliament has to decide what part it will take in the war. There have been some differences of opinion, but they have been cropping up since the war started. It has been said that Canada did not enter the war for ten days —until September 10. After ten days of neutrality we did enter the war. Then there were some other election speeches which had been made against conscription, and the government got over that difficulty with the plebiscite.

We now have a bill which has for its purpose the striking out of section 3 of the act. As I say, this is merely permissive and enabling legislation. In connection with this matter of recruiting, we have been doing everything by fits and starts. It is a fact that this country should stop, look and listen, because the adoption of the amendment may not make any change in the law as it was, with the exception of section 3.

This measure will not help the overseas part of the war. It will not send any troops over there. It will not conscript troops at the present time, unless it is found necessary. It has strings, riders, and a number of jokers—what would be known by the laymen as "jokers". It has "ifs" and "whens" and "when necessaries", and all that kind of thing. If it is adopted, it is not intended to apply conscription until necessary.

That particular part of the bill is not very clear. It is no more clear than was the plebiscite, and I suggest that it needs some revision. As the Prime Minister said yesterday, it is perfectly clear that the enemy overseas will have to be destroyed, if this continent is not to be the field of final conflict, or the first scene of an invasion. Our provisions for home defence do not amount to the snap of a finger in the beating of Hitler. If we are beaten overseas the battle will be here in a very few hours.

[Mr. Church.]

The motion for second reading of the bill was not necessary, nor was there any necessity for the plebiscite. As I say, there has been too much interference with the war, instead of leaving it to our military leaders to conduct along lines of military strategy. It has been conducted from the political end, and that was the trouble in the far east. There has been interference from statesmen, some of whom have been called politicians. They interfered in the far east with the direction of the military campaign on land, on sea and in the air.

This war is different from the last one. In 1916 the Asquith government went out of office in England because it tried to conduct that war as a Liberal war. Since this war started, the government in Canada have been conducting it as a Liberal war. All along the line it is conducted from the political point of view. I should like to find out if this change in Bill No. 80 was considered by the defence council. Did the defence council advise the government about the situation in Europe? If they did, they did not know what they were talking about. They were not well advised if they said that an overseas army, in addition to what is in England, was not necessary.

I say that because there will have to be another peninsular war. Great British cannot win this war in the air, and we have lost command of the Pacific. I would repeat my question as to whether the defence council were consulted, and if they recommended this amendment. Will they take the responsibility for this bill if Canada is invaded, and any reverse is suffered by our forces. Australia had the same trouble. They wanted the formation of a war cabinet, because they found that political decisions were being given against them, and against the advice of their military leaders in the far east.

I do not see any necessity for this bill. The government was given authority, by a large majority, the largest majority since confederation, to carry on this war. The government has failed all along the line. It is a Liberal war, based on a half-way effort. As Napoleon said, when we gamble with the lives of men we lose the confidence of the troops. That is true to-day. I venture to say that the minute our troops hear what we heard in this chamber yesterday they will be very much surprised, and they will be asking themselves the question as to why they enlisted at all. I say that in this Bill No. 80, from the military point of view and from the point of view of strategy in the war we are taking a gamble of a hundred to one.

The people have not been given the facts. They have not been told the details of the

money that has been spent. Less information is given to the public of this country than of any of the other dominions. On March 21, 1939, I called this to the attention of the house and quoted the statement of the then British Prime Minister over there that if the people "are only allowed to know what the leaders choose to permit them to know, then that people are in danger of being led to embark upon a course which may presently lead them into disaster."

Is this Bill No. 80 the answer to the men at the front, to the men who are flying over Germany to-night? As the Prime Minister has said, this bill will permit soldiers to go to adjacent territories like the United States, Newfoundland, and probably the Aleutian islands and other places, but where are you going to get the men under this bill? I do not intend to discuss the issue raised in the debate yesterday and to-day in connection with the situation in Quebec. In my opinion the soldiers will be greatly disappointed, and the "yes" voters of the country will be tremendously disappointed by the action of the government.

People outside the house, in the constituencies, sometimes tell me that they cannot understand the mentality of the House of Commons. When such measures as this are allowed to go through, as has been the situation in the past, the government must assume the responsibility. I consider it is only cheap political vaudeville and cheaper political burlesque, a declaration to the world that we are not going to do anything. Before the war we relied upon such things as the League of Nations, the Monroe doctrine, the status quo, the Locarno treaty and collective security. It is collective security only when you have an armed Britain. The "yes" voters thought that if the "yes" vote were the majority vote, they would have a total war effort. They find now that there is to be no total war effort.

We face invasion just as much as Australia, New Zealand and South Africa. In my opinion there is no such thing as home defence. The defence of this country will not be decided at Victoria or Vancouver or Quebec or Montreal or Three Rivers or Saint John; it will be decided in the other theatres of the war, in the Mediterranean, in the Atlantic and in the Pacific. If we fail over there, it will be all over. Hitler is the grand master of timing. But our distinguished Prime Minister is a good judge of timing. He is the best politician we have in the country and he is the grand master of political timing in the sense to which I have referred.

The Prime Minister takes his appeasement policy even to the electors. What was the "yes" vote? In my opinion it was a vote to get on with the war. We have had five sets of counts and votes and they are all deposited in the archives. It is a fine way to trust the people by giving them legislation like Bill No. 80. In my opinion the voters will be disappointed at the action of the government because Bill No. 80 will be pigeon-holed in the archives like the rest of these things. To-day is the forty-fifth day since the vote was taken and now it is going to be deposited in the archives. Dust to dust, earth to earth and ashes to ashes.

The address we heard yesterday was an explanation of the plebiscite and we heard that men are not wanted. Why are we taking this circuitous route? There never was a time when things looked so dark. This war can be won only with a large army and an air force and a fleet. We have lost all the battles in this war. In his first spring drive Hitler captured Norway, Luxemburg, Denmark, Holland, Belgium and France. In the second spring offensive he entered the Caucasian mountains, the Balkans and Greece, and Crete fell. This spring offensive he is in the Caucasus and a great battle is raging. Germany has 3,000,000 men and 14,000 tanks, the largest army the world has ever seen. Opposed to him is an army of only 2,000,000. Germany has passed through the worst winter in her history.

In the first two years Britain had to bear the brunt of the struggle and Russia will have to bear it in 1942. This country should bestir itself to send her all production possible and other help, air force and otherwise Many people think that this bill will not get very many men into the army, that the women will be left to do the fighting for the men. That remains to be seen. In my opinion the Prime Minister's speech was appeasement *in excelsis*.

Last Sunday in Toronto, in a driving rain storm, in my constituency at a Sunday service, an appeal was made to the soldiers of this country. The Canadian corps met in Riverdale park, a spot where on former occasions as many as 150,000 people have met together. The service was led by Lieutenant-Colonel the Reverend Canon H. F. D. Woodcock, V.D., who was the chaplain of the Queen's Own regiment. He served overseas for four and a half years during the last war. The son of Sir Allen Aylesworth, who sits in another place, was with him overseas. Canon Woodcock is at Christ Anglican Church, Toronto. I quote from the newspaper report of the sermon:

"You have the country at your service," Canon Woodcock told Mr. King. "All we ask is that you use it totally to win the war." The country expressed an opinion on the request of the Prime Minister to release him from promises, the speaker charged. "With an overwhelming 'yes' we responded to his request."

Canon Woodcock said that the vote released Mr. King from "anything to prevent you mobilizing this Canada for total war."

"We are not afraid of regimentation in this great war, when the struggle is for death or victory," the speaker declared.

Commenting that anyone who speaks to-day has a great responsibility, Canon Woodcock said "words must not be empty things in these days."

"I speak especially to these men whom I see before me."

Many of those men had served for four and half years in Flanders and France. I quote:

The speaker said that the dominion was proud of the veterans not only because of their acts in the last war but because of their conduct in those trying days between these two wars.

"They stood for the best traditions of the empire and always stood for imperial relations," Canon Woodcock stated.

"The veterans have been a steadying influence during these years, all of which have not been peaceful ones. And we did need a steadying influence during those days," the speaker said.

"To-day we meet in honour of this great empire. The gates have been set up like Jericho of old. Gates set up in the blood of the younger sons. We claim that we deserve this empire because it was procured at such a tremendous price—the price was blood. So we prize the empire. We idealize it. We think of it as standing for truth, justice, honour and fair play."

Those were the words of a great pastor, great citizen and great leader. When the Napoleonic wars were going so badly against England, Napoleon said:

This government foresaw nothing and only discovered difficulties when brought to a standstill by them.

A hundred thousand men have perished, the artisans of our defeats, the people responsible for our misfortunes, have no business to take any further part in our public life. They ought to remain in retirement and do their best to be forgotten.

To scatter forces in little packets is not the way to make war.

I have read the Prime Minister's speech twice to-day, and while it contains considerable information it fails to show what the objectives are under this bill. What are the objectives of the government during this fateful year, 1942, especially now that we are approaching the darkest hours of the summer. Indecision, after all is said and done, is one of the most fatal mistakes in war time. It is clear that the speech of the Prime Minister fails to let the country know where we are going to land. It is clear also that we have been depending all along, and so has Britain, too much upon American supplies and upon America to defend us. As I said the other day, we need a minister of production in this country, who can and will organize our whole resources and man-power and materials in an all-out drive for production. The work of the present Minister of Munitions and Supply (Mr. Howe) is divided among himself and two other ministers, and I believe that we should have immediately one minister of production in charge of it all, because if Great Britain does not get the supplies she needs, the united nations will soon be in a very grave situation. We need a minister of production who will organize our whole resources for this war. After all is said and done, it is not America, but the mother country herself, that is the great arsenal of democracy to-day. Figures produced in the British House of Commons show that Britain's production is twice that of the United States. The United States, while her heart and soul is in the war, is not a military power, and it will be impossible for it within less than two years to attain the maximum production which is necessary to match the axis powers.

This country seems to be entirely lacking in anything like a war mentality. We are fighting the best organized enemy in the history of the world, and the most cruel and barbarous of all times. I would like to see commando empire troops raised and trained in the dominion. Commando in modern warfare are like armoured shock troops in their application, and are only in their infancy. But to send them to the continent alone would be a mistake, because they are useful only following in the wake of powerful tank brigades, which in turn must follow powerful fleets of bombers and fighters, with a fleet back of them. So far we are wanting in this, because our fleet is now being used in the war of survival to safeguard the lines of supply from America; but the job is now to see that these units of commando dreadnoughts, by divisions, are ready. Canada is the logical place to train them and to recruit them from all parts of the empire, as is being done under the air training plan. Our job should be to see that these units are forthcoming to aid Russia and Britain. Canada has produced magnificently in aircraft and munitions of various kinds, and I believe that we could contribute greatly by training commando troops in Canada.

I believe that this country is not doing its duty to those across the sea at the present time. This war is approaching the most critical days in the history of civilization, and yet Bill No. 80 is, in my opinion, merely a lot of window-dressing and shadow-boxing. It will not fool anybody. It is just a smoke-

screen, added to the delay that was caused by holding the plebiscite, for the mistakes which were made in disarmament before this war and for which the government of the day is responsible.

This country is not doing its duty. There should be no more political conduct of this war. We could have had a million men trained for the army under the voluntary system if we had not been acting on the on-again-off-again principle. Recruits came forward all over this dominion at the beginning of the war and were told that they were not needed for the army. The ambition to serve was there, but these young men were told they were not wanted and that there was no room for them in the army. It was difficult to get into the army then, but they could get into the air force and into the navy without limit.

This is a life and death struggle and I should like to know why in a democratic country like Canada there is not equality of sacrifice. In this country from coast to coast we have spent millions of dollars on free education, free textbooks, free dental and medical inspection. Is it, then, too much to ask our youth to do something which has been done ever since the creation of the world, to undertake the defence of one's own country? That is the first duty of a citizen. But in some of our schools and state universities long before this war started they were preaching pacifism and that it was immoral to defend one's country, with the result that when the war came, pacifism had almost got control of the government.

I believe that Russia is very badly in need of men and materials. The "yes" vote in the plebiscite urged the government to wage total war. We have forgotten to think out loud in Canada and let the people know that this country is less democratic in matters of defence than the totalitarian nations whose armies are composed of every ablebodied man between certain ages, who come at the call of duty to serve the state. That is regarded as the highest form of social service. Our educational system has been lacking in that respect. It has not taught the children of the land that their first duty is to defend the realm. Our troops will suffer as a result of pacifist doctrines and policies. We were not ready for this war. The real facts of our situation have been withheld from the people of Canada. It is absolutely useless to send untrained men up against trained men. Are we going to send our young men without sufficient training to Russia and Europe, because there will be another peninsular war sooner or later, to fight the highly trained soldiers of the axis powers? Munich gave this country and the world a year's respite. That respite had to be purchased by Britain and France from Germany because either singly or together they were then no match to meet Germany as both Britain and France had disarmed. This respite was turned into an ultimatum, and this country stayed sound asleep and did nothing about the matter.

The result of the vote on the plebiscite shows the spirit of our people, and proves that the Canadian people are ready to make greater sacrifices if they are told that those sacrifices are necessary to win the war. Britain can no longer rely on the English channel and the Atlantic ocean as her sufficient protection; and the day is not far distant, unless we bestir ourselves and rid our strategy of politics, when we shall be facing a very grave peril. This is a life and death struggle, and nobody knows where it is going to end.

The mistakes which have been made in the far east show the immediate necessity of an empire war cabinet. There is no more important topic before the world and the British empire to-day, because without a war cabinet the war cannot be won. We have evidence of the need of it in the mistakes which have been made in the far east. The Prime Minister need not be in attendance; he can have a representative there. In the last great war the war council did very useful work. It led to coordination of effort and cooperation in strategy, in place of every country pursuing a strategy of its own. I hope that the matter will be reconsidered and that action will be taken in this direction.

Britain did not want war, but she will stand higher than any other nation in the verdict of history. As in the parable, while the lawyer, the priest and the Levite illustrated the hollowness and sham of their profession, it was the much maligned Britain that alone came forward, voluntarily, and acted the part of the Good Samaritan to stand in the breach and save the world from slavery. Britain has acted the part of the Good Samaritan in this war. She has been the protector of the weak the world over. She entered this war voluntarily. There was no selfish reason why she should have entered it, and by her stand and the heroism of her people after Dunkirk she saved the whole human race. She has been the bulwark of freedom, religion and civilization; to her will go the main credit in history.

I believe the Prime Minister will have the united support of the whole house for his bill. I know, as a member of the opposition, that he has received pretty good support from our leader. The splendid speech which the leader of the opposition (Mr. Hanson) made yesterday will be remembered as one of the best

which has been made during this war or the last. My leader has measured up very finely to his responsibilities during this war. He has given the government good, independent support. I hope that, notwithstanding the mistakes which have been made, the government will press on with the prosecution of the war and give our troops in all theatres the help they need and deserve. It should certainly consider the training of additional regiments for use when the new peninsular war begins in Europe, because it is there, not in Canada, that the battle is going to be.

Mr. ARTHUR J. LAPOINTE (Matapédia-Matane) (Translation): Mr. Speaker, the Right Hon. Prime Minister (Mr. Mackenzie King) wishes by means of Bill No. 80 to strike out section 3 of the National Resources Mobilization Act, and thus do away with all barriers to conscription of men for overseas service. This measure is, to my mind, one of the most important and critical to be submitted to the commons since the great war. The discussion may even become violent, unless hon. members of this house exercise a great deal of good-will and moderation. That is why I intend, during these brief remarks, to respect the opinion of those who differ with me on the burning issue of conscription. In critical times such as these, when everyone is highly keyed up, it is important to discuss calmly the grave issues with which we are faced. Mr. Speaker, since 1935 when I first entered this house, I have been loyal to my party, for I had no serious reason to do otherwise. I have always had faith in the right hon. prime minister, believing then as now in his utmost sincerity. It is therefore with the deepest regret that I find myself obliged to take issue with him on so grave a measure. The dictates of my conscience leave me no other choice.

During the 1917 election campaign, I was serving in the trenches as a volunteer. Then, as now, I did not believe in conscription for overseas service and voted against the government. Two years ago, thinking that I might once more be of service to my country, I joined up, this time again as a volunteer. The prime minister does not intend perhaps to resort immediately to conscription for overseas service, but through this bill he is nevertheless asking us to accept the principle of such a measure. After that, the road to conscription would be wide open. If I am so strongly opposed to the measure, it is because I am convinced that this system, far from helping our war effort, will cause deep dissension among the people of Canada and undoubtedly destroy national unity, which is so essential to the success of our common cause.

I know the people of my constituency whom I have had the honour of representing in this house for almost seven years. They are willing to sacrifice everything to victory, but they are averse to compulsion and they will never condone the implementation of such a measure. So far, the people of Matapedia-Matane, together with the whole population of Gaspé have very generously answered the call of their country. Their sons have enlisted in large numbers and I am positive that were conscription to be enforced very few conscripts could be found in many parishes of my part of the country, for all able-bodied men have enlisted voluntarily and have generously answered the call of their country. They wished to follow in the footsteps of two great heroes, Brillant and Keable, both of whom used to live in my constituency and both of whom have been awarded the Victoria Cross. They were the only two French Canadians ever to receive such a distinction which they have bought with their lives.

Mr. Speaker, I have absolute confidence in the efficiency of the voluntary system of enlistment. I am convinced that it will provide for all the needs of our various forces, as long as it is properly administered and supported by all people of good-will. I am convinced that were the supporters of conscription to put forth as much effort to promote voluntary enlistments as they have done, especially in the last few months, to organize their campaign in favour of conscription, we would have, at the present time, many more volunteers than we could use. I do not wish to cast any doubt on the sincerity of certain supporters of this method of enlistment, but nevertheless I cannot help but feel that many of them are much more interested in causing trouble for the Right Honourable Prime Minister than in promoting the war effort.

The hon. Minister of National Defence (Mr. Ralston) has stated that the voluntary system is adequate to supply all present needs of our various armed services, even taking into account the imminent entry of our troops into battle. In that case what is the use of reviving, every once in a while, this national bone of contention?

Mr. Speaker, about two years ago, the powerful German war machine was achieving extraordinary successes in Europe. The French army, considered as one of the best in the world, had sustained the greatest military disaster in its history. Germany, elated by its victories, was hastily organizing

the battle of Britain, in order to loose its swarms of barbarians on the rest of the world.

It seemed at that time that the collapse of a civilization was near and that nothing could halt the dreadful scourge. Across the channel the British people were in constant fear of invasion, but nevertheless feverishly organizing the defence of their country. In the course of the succeeding months England was to know every form of horror and anguish. After the defeat of France, Hitler thought, in his boundless conceit, that English morale would soon be broken by his powerful air force. That was his first great mistake. In spite of thousands of tons of explosives and incendiary bombs strewn over the English cities, in spite of the slaughter of innocent people, in spite of the destruction of their oldest and most beautiful monuments, the British people remained stoical amid their ruins and did not lose heart. On the contrary, the indomitable courage shown by them through those cruelly testing hours moved every nation of the world to admiration. This incredible tenacity through this trying period allowed those people who were still free to recover from the shock and organize resistance. By her example, by her indomitable courage and with the support of her formidable navy, England then saved the world from slavery of the worst kind.

If our country has not so far been invaded, if we have not hitherto experienced the brutish cruelty of the Gestapo, if we are not as yet at the mercy of the most brutal and most inhuman soldiery one can imagine, if we still are a free people, here in Canada, we owe it mostly to Britain. For the last two years, my military duties have prevented me from taking part in the debates of this house, but I wish to take the opportunity which is afforded me to-day to express my heartfelt admiration for my king, the queen and the British people, whose courage and steadfast determination are so aptly symbolized by the British bulldog in the person of their admirable Prime Minister, Winston Churchill.

Mr. Speaker, Canada would not have this war. The citizens of this country were quite willing to live in peace, but circumstances over which we had no control have thrust this war upon us. We are fighting to-day beside nations which were still free and anxious to defend that which they hold most dear and most sacred. We are fighting in order to defeat the strongest imaginable conspiracy of evil forces to enslave the nations of the world. We are fighting to defend our christian ideal. We are fighting for the defence of those liberties which are nearest our hearts. We are not fighting for China, for Russia, for the United States or for England but, as the late lamented Right Honourable Ernest Lapointe was wont to say with such aptness, we are fighting at their sides for Canada, our own country. This war is therefore our war and we must win it at all costs and, in order to do so, it is imperative that we maintain the unity of our country.

It has been stated by Sir Norman Birkett, speaking before the Canadian club in Montreal, on June 5th, that England's greatest achievement since the war started was the preservation of its national unity. Since we joined the conflict, our war effort has been wonderful. We have exceeded our expectations in all fields. Yet, despite the whole nation's tremendous efforts, despite the amazing results so far achieved, certain people claim that we have not yet accomplished anything, while others claim that we have done far too much. And there are at present in this country two groups of extremists who are causing considerable harm to our war effort and who are busy sabotaging our national unity. Do they realize to what extent they are playing into the enemy's hands? Nothing could so please Hitler as to see strife and disunion reign among his opponents. This was, moreover, a favourite method of his and one to which he invariably resorted before attacking any country. He weakened it first of all by having his agents of the fifth column spread class hatred throughout the nation. When he saw that prejudices, disunity and discord reigned supreme, the country was ripe for invasion. This was his strongest weapon in all the countries he vanquished. There are, at the moment, in this country two extremist factions who are playing into the enemy's hands. It seems to me that the government and the hon. Minister of Justice (Mr. St. Laurent) should take vigorous steps to put an end to this bickering. It is high time that this campaign of prejudices and disparagement was checked on both sides, for its only result is to engender hatred and discord which can lead our country to the worst disasters. There is no time to quarrel with one's neighbour when one's house is afire. This does not mean that French Canadians have no grievances in need of redress. On the contrary, we have many. But this is not the time to settle old accounts. While the enemy is at our gates, let us forget our quarrels, unite in the face of our common foe.

Before I resume my seat, Mr. Speaker, allow me to recall briefly to the memory of the house the most outstanding example of

cooperation between races that it has been my privilege to witness. It was during the last great war, on the Lens front, in 1917. The enemy had just started a wild night attack and a very heavy bombardment of our trenches was in progress. The 25th Nova Scotia battalion was in the firing line and the 22nd was supporting them. Suddenly a messenger from the front line brought us the news that the 25th battalion, weakened by the fierce battles of the two previous days, was assailed by forces greatly outnumbering them and were in great need of support. The older members of the 22nd recalled to their younger companions the services rendered them by the 25th battalion at Courcelette in similar circumstances. "Let us go," they said, "this is our opportunity of paying the debt we owe the 25th battalion." In a few moments, the commanding officer had more volunteers than he needed. The fighting was fierce, and a great many lost their lives in the fray. However, the enemy was beaten back with heavy casualties. Later, when relief came, nothing was more touching, I can assure you, than the sight of these soldiers of the 22nd and 25th battalions marching arm in arm, although they could not understand their respective languages, but who, from that time, became, for life, the best friends in the world.

In these tragic days, we should take inspiration from such an example and such a lesson. This war may perhaps not last as long as we imagine and Canadians of every origin should join and march on hand in hand. I trust that each and every one of us will be able to do so with a clear conscience. If we do this, Mr. Speaker, we shall be able with good understanding between us, with cooperation from every race, to build a truly great country, a truly great nation for which generations to come will hold us in grateful memory.

On motion of Mr. Crète, the debate was adjourned.

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

END OF VOLUME III

6